

House of Commons Debates

FIFTH SESSION—SEVENTH PARLIAMENT

SPEECHES

OF

SIR RICHARD CARTWRIGHT, M.P.

ON

THE BUDGET

OTTAWA, 3RD AND 7TH MAY, 1895

SIR RICHARD CARTWRIGHT. I think every hon. gentleman who has had a seat in this House for a period of three years and upwards must have been very much struck by an extraordinary and unprecedented omission in the speech of the hon. gentleman. For the first time, certainly for the first time since he has been in the House and occupied his present position—I may say for the first time for the last sixteen years—a speech has been made on the Budget, and it has contained no laudation of the National Policy whatever. The poor, old fetish has been laid on the shelf, and none so low as to pay it reverence now. And I do not wonder at it. Like some other things with which the hon. gentleman is acquainted, it has served its turn, it has been the ladder by which the hon. gentleman and certain other parties have climbed to preferment, and now, I suppose it is going to be ignominiously kicked down. There is another very curious thing in the hon. gentleman's speech. Heretofore, ever since Sir Leonard Tilley came to the rescue of Sir John Macdonald, their doctrine has been

that they made the people rich by imposing taxes. But now, there is a new departure. A change has come over the spirit of the hon. gentleman's dream, and he takes great credit for making people rich by taking taxes off. And there is a vast deal more to be said for his latter than for his former doctrine. Then there is another very curious admission—curious to me, but not so curious to those who have not been as long in the House as I have—it is the involuntary admission wrung from the hon. gentleman by the necessity of making a case. According to the hon. gentleman, the present crisis is a mere trifle compared with that which prevailed from 1873 to 1878. He is not altogether wrong about that. But it is passing strange that the distinguished gentleman who preceded him and surrounded him did not discover it before. It is true that the position, not of Canada, but of any manner of means, but the position of the commercial world, notably the United States, was infinitely worse from 1873 to 1878, than it is to-day. So far, I agree with the hon. gentleman. We had an infinitely

worse storm to weather, and we did weather it without creating anything like the deficit which the hon. gentleman has created.

An hon. MEMBER. Oh, oh.

Sir RICHARD CARTWRIGHT. The hon. gentleman had better wait until he hears what I have to say. Probably he does not know much of the financial history of Canada for the last twenty-five years, but before I have done he will have gained some information. Sir, during those three years of financial crisis which the hon. gentleman now tells us was worse than the one we are now passing through, our total deficit amounted to \$4,500,000, whereas, this afternoon, the hon. gentleman has informed the House that he expects to have that identical sum as his deficit for the one year. There is another circumstance which it may be worth while to recall to the hon. gentleman. The whole of that deficit of \$4,500,000, we extracted out of the pockets of our neighbours on the other side of the line; and let me further tell the hon. gentleman that there is every reason to believe that had he and his colleagues conducted the negotiations which were so ably conducted by Sir Albert Smith, with the aid of my hon. friend beside me, the chances are that Canada would not have received any of that four and a half million dollars, but, as happened in another transaction, would have had the pleasure of paying her own costs. Of these matters, I may have a little to say hereafter, as also concerning one statement which it would be unparliamentary to call impudent, but which is undoubtedly a most absurd and misleading statement, and that is the statement that these men, whose very creed and doctrine was that the way to make the people rich was by piling taxes on them, had materially lessened the burdens of taxation. Before this debate is through I intend to prove—and if I were not to undertake it, there are fifty good men and true on this side of the House able and willing to do so—that the actual taxation taken out of the pockets of the people is \$60,000,000 a year, as against \$20,000,000 per year, which was all we ever exacted. The hon. gentleman boasts that he lessened the sugar duties. Well, if he did, it was not because of any goodwill of his or his colleagues to the people of Canada, but at the dictation of Mr. McKinley, and because the American Government had abolished them altogether. And, Sir, I noticed one curious fact. The hon. gentleman stated that he had made a saving of \$4,900,000 a year on the sugar duties from 1890.

Mr. FOSTER. I did not make any statement of that kind.

Sir RICHARD CARTWRIGHT. Then I will have to wait until we get "Hansard," but I think every man here understood him to claim that saving.

Mr. FOSTER. What I did do was to give the savings each year from 1890 to 1895.

Sir RICHARD CARTWRIGHT. And you made that \$4,900,000.

Mr. FOSTER. I do not remember what the average was.

Sir RICHARD CARTWRIGHT. That is what the hon. gentleman will find he said when he reads the report of his speech, unless he has occasion to revise it. I find in the Trade and Navigation Returns of 1890, that all the duty we got was \$2,800,000. If that be the case, there is a marked difference between the computation of the hon. gentleman and the actual results. I am not going into minute calculations until I get the details of his new taxes before me, but I observe that the hon. gentleman is constant, in this respect, at any rate, to his old love, that in the matter of sugar he proposes to take \$3,000,000 a year out of the pockets of the people, and only allow \$1,200,000 to go into the treasury. The hon. gentleman boasted that in these five years the savings of the people had increased \$41,000,000. It is not always a good sign, let me tell him, to find that the savings of the people have accumulated in banks. It is sometimes an evidence that the people find themselves so deprived of legitimate opportunities for investment that they are glad to take three to three and a half per cent rather than put their money into legitimate enterprises. The hon. gentleman took good care to say nothing of the reduction of \$200,000,000, and upwards, which has taken place in the last few years in the value of farm property in Ontario alone. If he had been actively concerned in these matters from 1873 to 1878, he would have remembered that whatever might be the distress that prevailed in those years, whenever there was a farm in the market for sale, in the greater part of the province of Ontario, at any rate, there were a half a dozen buyers. To-day, the reverse holds, there are too often half a dozen farms for sale and not one buyer, and although there may be millions lying idle in the savings banks and other banks, the owners cannot be persuaded to invest their money in the purchase of farm property. However, I am not here for the purpose of bandying charges with the hon. gentleman. I desire to discuss, and to discuss at length, a much more serious question, the present position of this country. I do not care to recall the jeers of hon. gentlemen opposite at deficits in times past. I do not think we will hear so much of these either on the hustings or in the House for some time to come. But I have this to say to the hon. gentleman, that there are now two distinct and separate subjects for discussion. I propose to deal with those apart. One of those concerns the existing financial situation, and the

methods of dealing with it. The other is the fiscal policy of the Government, and its results. Now, I have never contended, and the hon. gentleman was perfectly right in that, that it was in the power of any Government, by adopting a particular fiscal policy, to avert disaster. Disaster may come whether you have a free trade policy or a protective policy; but I always contended that while a Government could not, by its legislative action, avert disaster, a Government might, and very often does, to an enormous extent, intensify it. Sir, the fiscal and administrative policy of the Government, I will admit, are not necessarily connected together. The one may be good and the other may be bad. And the reverse may occur. But, generally, you find that the two go together. A wise fiscal policy usually means a prudent administration; an unwise fiscal policy usually means directly the reverse. Nobody who has watched the affairs of Canada for some time back will suppose that there is any marked difference between the fiscal policy and the administrative policy of Canada. At present they are unlovely in their lives, and I trust they will not be divided in their approaching death. No policy could well be more flagrantly unjust than that of which the hon. gentleman has often been the exponent, nor could any administration of public affairs be more deliberately or purposely corrupt than we know, too well, has been the administration of the Government of which the hon. gentleman is a member. And now, Sir, first of all, I desire to ascertain what is our real position? What is the deficit? The hon. gentleman admitted under stress of circumstances that the deficit amounted, he thought, to about four millions and a half. That is to say, Sir, if things go well, if the hon. gentleman gets as much in the next two months as he did in the same months of 1894, if he does not spend as much in the next two months as he himself estimated he would be likely to spend, and particularly if he gets a little money out of his new taxation, why then possibly the deficit may not exceed \$4,500,000. Well, Sir, that is a possibility. I do not know whether he will succeed in anticipated a little revenue; I do not know whether he will succeed in pushing off a few payments until next year; but what I do know is that the hon. gentleman's estimates, even without the additional estimates which he has not yet given us, are \$922,000 more than the sum actually expended in 1893-94. We all know that we wound up the year 1893-94 with a deficit of \$1,210,000; and we know that the failure in revenue down to the 1st of May, which the hon. gentleman did not give, amounts to \$2,838,788, while our expenditure up to 1st May exceeded our expenditure for the last year by \$705,413. Now, Sir, these figures—and this is at least as good as the hon. gentle-

man's hypothesis—show that there is to-day an actual ascertained deficit of \$1,754,520. However, Sir, I am not very greatly concerned about that, whether the deficit be four millions and a half, as he says it will be, or whether it be four millions and three-quarters, as the public returns would seem to indicate it is. Whether it may be one or two, or three hundred thousand dollars, more or less, by the 1st of July, is not a matter of very great moment. It is sufficient for us, to know that by the hon. gentleman's own admission—and he certainly did not exaggerate the chances—the deficit amounts to four and one half millions. Now, Sir, I want to call attention to what has become of the last loan. I am not going, at this moment, to discuss the loan itself. I think the hon. gentleman made a good loan, but I think he made a grave error of judgment in not borrowing at the time—in view of our liabilities—a considerably large sum. I think he might and ought to have borrowed, certainly three, and perhaps, four millions back. As I shall show presently, he has exposed himself to the necessity of going to negotiate another loan in a short time, and perhaps, under less favourable conditions. That loan netted the hon. gentleman say, \$10,700,000. He knows, and admitted here to-day, that our capital expenditure is \$3,273,000 to date. He had a deficit of \$1,210,000 that he had to pay; there were temporary loans of \$2,433,000; we have a deficit of \$4,500,000 or \$4,754,000—which you will—and we have further expenditures up to 1st July, according to the hon. gentleman's own statement of \$1,600,000. So that apparently all the loan has been spent, every penny of it; that is, more than every penny of it is pledged. The hon. gentleman has a certain amount of money in hand, I know; but all that money will be required to make both ends meet before the end of the year, without making any provision for the extra charges which accrue and become due on capital account. And then, Sir, I come to another point on which the hon. gentleman laid some stress, and on which I desire—and the Hon. Member, I think—a good deal more information than he was pleased to give us. Now, Sir, here again the hon. gentleman may correct me if I am in error. I took down the statement of liabilities which he gave. It did not appear to me to conform with the statements made across the floor of the House by his colleague, the hon. Minister of Railways, or with the statements that appear in our public accounts. According to his statement the total expenditure on capital account for the next four or five years would be rather under \$10,000,000—nine millions odd, I think, were the figures.

Mr. FOSTER. Fifteen millions and over, according to the figures I gave.

Sir RICHARD CARTWRIGHT. I think the hon. gentleman—I will accept the correction, of course. But certainly that

amount does not consort exactly with the statement he made in another part of his speech, that the amount that would go to sinking fund would be amply sufficient to meet all the expenditures on capital account for the next four or five years.

Mr. FOSTER. I may put the statement in such a way that the hon. gentleman will see. I divided the liabilities into two. About \$6,000,000—if I recollect aright—were liabilities in the shape of subsidies current which the estimates would provide for each year, as they have done in past years. That is, they would be met out of consolidated revenue. Then there were the subsidies and expenditures that have not been so provided for, railway subsidies and others; making nine millions odd to be met from capital. There are six million dollars in round numbers, that run over appropriations that are made in the Estimates each year, and have been running for the past three or four years, and they mature between this and 1908. Then for capital expenditure, there are nine million dollars.

Sir RICHARD CARTWRIGHT. And we have not been paying out of our ordinary revenue any such sum during the last two years, we have not been paying any of these sums which ordinarily go to capital account out of our ordinary expenditure.

Mr. FOSTER. Steamship subsidies do not go to capital account.

Sir RICHARD CARTWRIGHT. What steamship companies?

Mr. FOSTER. The Australian steamship subsidy, the China and Japan steamship subsidy.

Sir RICHARD CARTWRIGHT. Oh, those are the things which make up the six millions?

Mr. FOSTER. Those and some others.

Sir RICHARD CARTWRIGHT. Then I will just give the hon. gentleman's statement as I make it, and he can correct it. The Minister of Railways, in reply to me the other day gave the total railway subsidies which we had to provide for at \$8,729,000. That, I presume, is correct. The hon. Minister gave the estimated cost of St. Lawrence Canals; those are clearly a capital charge.

Mr. FOSTER. Yes.

Sir RICHARD CARTWRIGHT. I think it may be a question whether railway subsidies ought to go to capital account. The St. Lawrence canals are to consume, at least, \$6,000,000. The hon. gentleman will see that has nothing to do with mail subsidies or anything like that. Now, I assume, judging from the past—and that is the only way we can judge—that the capital expenditure on the Intercolonial Railway account is likely,

in the next year or two, to run up to about a million dollars. I shall be very glad if they do not, but looking to the past, I am afraid we have little ground for hoping to escape with less than \$1,000,000. Then the hon. gentleman has entirely omitted an important factor, he has omitted the fact that there is a certain Trent Valley Canal now again put under contract. It was asserted a year or so ago that this was likely to cost \$5,000,000. Are we to understand that is eliminated from his programme? I do not so understand the Minister of Railways, who, the other evening told us that one contract for \$500,000 had been let on account; and if those figures of mine are correct, then, apart, from the \$6,000,000 which the hon. gentleman spoke about—there is about \$20,729,000 to be provided for—unless, of course, as I say, the Trent Valley Canal is entirely abandoned. If it be, let us understand it so. But that was not the statement made by the Minister of Railways, that was not the statement made to us last year, that was not the belief entertained by the inhabitants of several constituencies through which the canal passes. Nor did the hon. gentleman, so far as I understand him, say anything to us at all about such enterprises as the Chignecto road. Am I to understand that is abandoned, or does that remain a liability pending?

Mr. FOSTER. I presume that is no liability.

Sir RICHARD CARTWRIGHT. Then does the hon. gentleman intend it shall become a liability at any future time?

Mr. FOSTER. Don't ask too much, now.

Sir RICHARD CARTWRIGHT. I think now we have a right to know. Now is the time when we ought to know, when we ought to be informed as to all these contingent liabilities. What about the Chignecto road? What is it to cost? \$80,000 a year, or \$100,000 a year, or \$120,000 a year?

Mr. BOWERS. \$170,500.

Sir RICHARD CARTWRIGHT. Is that a contingent liability or not? The hon. gentleman says it is not a liability now, but we have a right to know whether he intends to exorcise the ghost and get rid of it altogether, or is it to rise up again in judgment against us, either before or after the next general election?

Mr. FOSTER. Don't invoke it.

Sir RICHARD CARTWRIGHT. I understand there are parties here now anxiously inquiring about the Chignecto road, and we ought to know. Nor did the hon. gentleman, who came here having promised to make a full and ample statement, so far as I notice, say one word about a certain statutory liability of \$750,000 a year for the Atlantic Fast Service. What of that? Is that a

liability, present or contingent? What has the hon. gentleman got to say about that?

Mr. FOSTER. It is not a present liability, certainly.

Sir RICHARD CARTWRIGHT. Well, the hon. gentleman had better take it off the statute-book, or it may become one, and he had better do it quickly. The hon. gentleman had, no doubt, a difficult task this evening, and, therefore, I am not surprised that these little trifles of Trent Valley Canals, Chignecto Roads and Atlantic Fast Services, which, after all said and done, do not mean more than one and a half millions added to our annual expenditure at the outside—I am not surprised that they have not attracted his attention as much as they have ours. But there are other things that we have a right to know about. What has the hon. gentleman to tell us about the contribution to the Hudson Bay Railway? Is that a contingent liability? Is that a liability which is to accrue? Are we to pay that or are we not? Surely the hon. gentleman will see the propriety, when we are estimating our liabilities, of letting us know. What has the hon. gentleman to say about that Hudson Bay Road? Is it a liability contingent? Is it a present liability, or a future liability, or a deferred liability?

Mr. FOSTER. I do not wish to interrupt the hon. gentleman's speech. Let him go on.

Sir RICHARD CARTWRIGHT. Well, it is pertinent to the proposition. The hon. gentleman told us he would make a full, free and frank statement—those were his words—within a very few days. Now I ask for a full, free and frank statement, and particularly on so important a question as a grant which may ultimately come to involve ten times the amount, as he knows. What has he to say about the Hudson Bay Railway?

Mr. FOSTER. That will be for Parliament to determine.

Sir RICHARD CARTWRIGHT. And the leader of the House cannot tell. Does not the hon. gentleman know that Parliament can vote no money grants, except at the instance of the Crown, on a statement conveyed to us here by a minister of the Crown? Now, I think, in all conscience, after the pledge which the hon. gentleman gave us, he can hope to gain nothing by invoking—I won't say invoking—but he can hope to gain nothing by concealing their intentions. Surely we have a right to know, when we are here in debate on the financial state of the country, what our liabilities are. It is very evident that if the statement be correct, if the Chignecto Road be not entirely removed, if the Atlantic service be still a statutory obligation, and if we have got the Hudson Bay road to provide for—I say it is very evident indeed that the hon.

gentleman has enormously understated the existing present liabilities of the country. Well, Sir, I will give the hon. gentleman time. I hope that with reflection—

Mr. FOSTER. All will come out in time.

Sir RICHARD CARTWRIGHT—the proper time to acquaint the Parliament of Canada with all the liabilities which Canada owes, is when the Minister of Finance makes his financial statement.

Mr. FOSTER. If the hon. gentleman puts it in that way, so far as that railway is concerned, the hon. gentleman and the House have been informed of all the liabilities, and he knows perfectly well what liabilities have been incurred. If any other measures are to be brought down by the Government in the course of the session, the hon. gentleman will then become acquainted with them; but the hon. gentleman has no right to stand up in his place to-night and, because he is discussing the Budget, want to know before hand all the measures that the Government are going to bring down.

Sir RICHARD CARTWRIGHT. I am in my right, the House is in its right, the Opposition is in its right, in demanding that the Government should not conceal things from us, in demanding that the Government should tell us what the obligations are. The hon. gentleman, Sir, made a formal pledge here three or four days ago that he would make a full and honest statement of all the obligations of the country at this time.

Mr. FOSTER. You have got it.

Sir RICHARD CARTWRIGHT. Now, on a question which involves two millions and a half directly, and which may involve \$25,000,000 for ought we know, the hon. gentleman has not a word to say. Well, Sir, the country will judge who has kept his promise to the country and to the House. Now, what is the general result? The general result is that we have a deficit ranging from \$4,500,000 to \$5,000,000; that our cash in hand is barely adequate to meet our current needs, and hardly that, remembering, as I pointed out the other night, that over and above bills payable, we have in addition some \$40,000,000 borrowed at call, from the people of Canada, for which we ought to keep a respectable reserve. It is very clear that instead of having \$9,000,000 of ascertained liabilities, and a number of items scattered here and there which are to be paid within the next half dozen years, our ascertained liabilities are something like \$20,000,000, not including those statutory charges to which I have alluded, and which would amount to very nearly a million dollars a year more added to our fixed charges for many years. Now, Sir, the Minister proposes two things, he proposes to make certain additions to the taxation, with

which I will deal at a later period. He proposes certain retrenchments, a few of which, perhaps, may be good as far as they go, but which I am afraid we must characterize rather as sham retrenchments than real ones. One thing at any rate is certain, and it is worth noting, one of those points which, as the hon. gentleman said, it is well the House should bear in mind. There are some increases and there are some reductions, but the increases have most unquestionably come to stay, while as to the reductions, I fear they are essentially of a temporary character. Why, Sir, I look at the Public Works, and I look at Militia, and I find that of his \$1,600,000 of reduction, \$1,325,000 occur in these two branches alone. Well, we have had some experience in the past as to the value of the hon. gentleman's promises of retrenchment and economy, and as to the extent to which his colleagues allow him to carry out his promises. But who is there to tell us that next year we won't see huge supplementary estimates brought down, and that we won't see all these things very much as they were before? Sir, the hon. gentleman, in talking of these Estimates, took occasion to say that there was not much fear, he thought, of their being equalled. Now, Sir, that may be true, possibly, in a certain sense. It may be true enough that the total volume of the Estimates after the Supplementary Estimates have been added, are not exceeded during the current year. But I have here the original Estimates for 1893-94, and it is worth while calling the attention of the House to them. They amounted to \$36,560,000. That was the original estimate, which he says is rarely spent. I think the Public Accounts will show that while the estimate was \$36,500,000, he spent something like \$37,500,000. I think the expenditure of last year, unless my memory is wholly at fault, was not less than that sum.

Mr. FOSTER. It was less than the estimate.

Sir RICHARD CARTWRIGHT. No. I do not mean to say, however, that it was not less than the ultimate estimate. We are not dealing with that question. The present question is, can the hon. gentleman's original and main Estimate be depended on? Here is one sample: Estimates amounting to \$36,500,000, and an actual expenditure of one million more than the hon. gentleman's main estimate.

Mr. FOSTER. But it was a great deal less than the total Estimates.

Sir RICHARD CARTWRIGHT. It may be less than the aggregate Estimates, because the hon. gentleman had the very bad practice, which he has promised he is not going to repeat, but which I am afraid will require some strong collateral guarantee to be produced here to ensure that he will keep

his promise in the long run, of having his main Estimates largely below his ultimate Estimates for a given year. Then another grave question on which we may have a great deal more to say before the session closes, is as to what is the condition of the Intercolonial Railway. We know perfectly well that it is possible always in conducting a railway so to manage it as to appear to make both ends meet, but at the expense of materially injuring the permanent character of the work. We have had a rather bitter experience on the Intercolonial Railway as to its capacity for sinking more capital from time to time, and while I shall make no positive statement, not having the knowledge myself, I am bound to tell the House, and I have it on authority which I do not think it entirely safe to disregard, that there is very great danger that a large amount of capital may be required from before we are many years older to the Intercolonial railway in as good a condition as it was a few years ago. At I point out is this: To all appearances the funds are out, to all appearances the hon. gentleman must borrow again, to all appearances the hon. gentleman's loan must be repeated, either in the shape of a temporary loan, which I suppose he could make, of a few millions in England, or in the shape of a permanent loan, and that before he is twelve months older. Sir, the hon. gentleman did me the honour to contrast the deficits of 1876, 1877 and 1878, with the deficits which now exist. But he took extremely good care not to tell the House the reasons why those deficits existed at all. I will tell the House. Those deficits of 1876-77 and 1878 existed because, in opposition to our strenuous protests, in opposition to the most vigorous denunciations we could make, the Government of the late Sir John Macdonald in 1873, under very peculiar circumstances, which I will not wring the feelings of hon. gentlemen opposite further by alluding to, increased the public expenditure by \$4,000,000, not providing one cent of taxation to meet it; and because at the same time (and it was admitted by Sir Leonard Tilley in his Budget speech, which I have under my hand), they further added \$60,000,000 to the public liabilities, for the greater part of which we had to provide and for which they made no provision whatever. The hon. gentleman talks of the fact that the net debt increased under our Administration. When you inherit liabilities of \$60,000,000 which your predecessors inflicted on the country and for which they made no provision, how is a succeeding Administration, I should like to know, to avoid adding six or eight millions annually for some years to come to the existing debt? Now, Mr. Speaker, as to one expectation on which the hon. gentleman laid great stress, and that is as to the expectation of better times. Well, Sir, I hope, and every member in this House will hope, for pri-

vate reasons if not for public ones, that this expectation may be realized. But allow me to tell the hon. Finance Minister that there are no very solid grounds on which he can base his financial calculations in this regard. The immediate prospects, I am afraid, are very uncertain indeed. They will depend on causes wholly beyond the hon. gentleman's control. They will depend, in the first place, and he knows it well, on the trade conditions in the United States; and it is worth while observing how ready those hon. gentlemen are now to admit that the prosperity of Canada is most intimately connected with the prosperity of the United States, that it is very hard indeed for Canada to prosper when the United States are depressed, that if a wave of depression sweeps over the United States it almost invariably within a short space of time sweeps over Canada too, and which, perhaps, the hon. gentleman has not seen quite as clearly as he should have done, and that, although such a wave may not overtake us quite as soon as the United States, it is very apt to remain a little longer with us. That is one cause over which the hon. gentleman can exercise no control. Another cause is this. The prosperity of Canada, which is chiefly an agricultural country, depends, as everybody knows, largely on the prices of food products, meats and cereals. Those will be regulated by competition, over which we have no control. We have had to face the competition of India, and the competition of the Argentine Republic; we are now threatened with the competition of Australasia, and by a refinement of generosity the Government of Canada are contemplating making considerable grants for the purpose of enabling Australian farmers to compete more favourably at our expense in the great markets of the world and with Canadian products. I desire to be on friendly terms, heaven knows, not merely with all our brother and sister colonies, but for the matter of that, in trade matters with the whole world, if I could; but it is not part of the policy of the Liberal party to tax the people of Canada for the purpose of benefiting people whose products enter into direct competition with ours. Now, Sir, one thing is very certain, although the hon. gentleman does not appear to understand it, but I think that some of his financial advisers should, and I think they ought to have made him aware of the fact. We have heard a great deal of the surpluses the hon. gentleman has possessed in times past—on that point I shall have a word or two to say presently—but it is clear that for many years back the people of Canada have been, to a very great extent, living on capital, and the hon. gentleman—and this ran all through his speech—has mistaken, as many others have done, the results of spending huge sums of borrowed money for increase in our legitimate income. Sir, the two things are very widely distinct. The hon. gentle-

man boasts, boasts very loudly of all the former surpluses that he has had. He seems to think that the existence of a surplus half a dozen years ago is ample warrant for having a deficit to-day. Well, the hon. gentleman, no doubt, being a professor of literature, is a student of Shakespeare. Let me remind him of a certain passage there:

Oh, who is there can hold a fire in his hand
By thinking on the frosty Caucasus,
Or wallow naked in December's snow
By dreaming of fantastic summer's heat,
Or cloy the hungry edge of appetite
By bare imagination of a feast?

Or to bring it down nearer to the level of the Minister of Finance. Who is there—

Can to a surplus turn a deficit
By saying: Some poor clerk had thus it writ.

as the Minister of Finance did in the "Official Gazette" a little while ago. Now, Sir, how are these surpluses obtained. That is a question to ask the House, and that is a question my friends had better ask the electors, too. They were obtained in two ways. They were obtained partly, at least the surplus revenues were obtained by the outrageous taxation imposed by the Government; taxation which always took two dollars for one, which often took ten dollars for one, out of the pockets of the people; and they were obtained also partly by a system of perpetual loans. That is a very important factor in our position. The hon. gentleman has talked largely and loudly of the increased deposits, but not a word out of the hon. gentleman's mouth, not a whisper from the hon. gentleman's lips about the vastly increased indebtedness of Canada as compared with the period between 1873 and 1879. The hon. gentleman has now and heretofore wholly ignored that most important fact. What is the present indebtedness; and, mind you, by the indebtedness of Canada, I do not mean barely and solely the indebtedness owed by Canada in her Federal capacity; I mean our Federal debt, I mean our provincial debt, I mean our municipal debt, I mean our private debt due abroad, and I mean also the sum due by us for railway bonds and obligations. Now, I have been at some pains to find out as correctly as I could—the statistics do not allow of my doing it altogether—what that amounts to, and I venture to say to the House that if you take into account railway bonds and stocks as well, that the total present indebtedness of Canada, the collective indebtedness to parties abroad, must be somewhere in the neighbourhood of \$800,000,000 to \$1,000,000,000, and the annual amount of interest \$25,000,000 or \$30,000,000 a year. That is a very important fact, indeed; it is a fact which the Finance Minister has wholly ignored, but it is a fact which I am afraid in the future we will not find it quite so easy to ignore. Then the hon. gentleman, in another part of his speech, tells us that we are so very much better off

than other people. Well, if it be true that we are very much better off than other people, it is a very poor consolation for us to find ourselves in the position we are now in. However, I have grave doubts that the hon. gentleman's statement is correct. I know quite well that there are many parts of Canada, possessing great natural resources, where the people possess very considerable amounts of accumulated wealth, and I know perfectly well that in those parts the pressure of hard times and the consequences of the depression has not been felt as much as it has elsewhere. But, Sir, taking it as a whole, I know two things. I know that the great mass of the people of Canada, and notably the agriculturists, were vastly better off between the years 1873 and 1878 than between the years 1890 and 1895; and I have the strongest grounds for believing that were a fair and honest account struck, were you to place on one side all the evidences that the hon. gentleman has given of accumulated wealth, and on the other the increase of our debt, to which I have alluded, and the shrinkage in the value of our farms and town properties, it is clear that Canada would come out hundreds of millions of dollars the worse, on an honest calculation as a result of the last twelve years. Sir, one thing is true. Canada does possess and always has possessed a considerably better banking system than our neighbours, and that enables Canada to bear or break the force of the blow at first. But, Sir, the real difference is this: The one case is chronic and the other is acute, and we have been slowly bleeding away for years and years. In the case of the United States, when a crisis comes it is very sharp, I grant you, but it lasts for a comparatively short time. Now, Sir, to my mind, the case really lies in a nutshell. Two processes have been going on for these many years. One of these processes has been a huge expenditure of borrowed money during the past 12 or 15 years. Take it altogether, and bearing it in mind that I am speaking of the collective expenditure, I am speaking of the expenditure on railways and by municipalities, I am speaking of the money which has been borrowed and brought into the country by loan companies, and I am speaking of the moneys borrowed by private persons and corporations, and I say, taking it altogether, there is very strong ground for believing that it was on an average about \$30,000,000 a year. Now, that no doubt did cause large importations of dutiable goods. As every one knows, when money is borrowed it is not sent over to Canada in hard coin, but it is sent over in money's worth in the shape of goods, and usually dutiable goods, and no doubt for years and years that brought a large revenue. To-day we are called upon to pay the interest, and the 10 or 12 million dollars a year, which we have to pay through the medium of the Govern-

ment, is only a small part, only a part, at any rate, of the total sum of interest which Canada has to pay. Sir, had we got value for our money, had that money been invested in works which were really useful and which really added to the productive powers of Canada, the case would not have been so bad. If it would have been possible for us to have borrowed \$800,000,000 or \$1,000,000,000, if you will, and we should have been able to pay the interest largely out of the profits arising from those works. But it is only too well known to any one who knows anything of Canada, that an enormous amount of money which was borrowed has been wasted, aye and worse than wasted, for a very considerable part of it has gone to debauch and corrupt the people of Canada. Now, I was pleased to hear the hon. gentleman—it is a matter in which I am entirely in accord with him—I was pleased to hear the hon. gentleman, in the course of his speech, express himself in high approbation of that very reliable and conservative newspaper, the London "Economist." I want to call his attention to a very late issue of that reliable and highly Conservative newspaper, under date 23rd March, 1895, and here is one item which he would do well to note as one among the many proofs of the great general prosperity which Canada is now experiencing and has experienced from 1890 to 1895. Curiously enough, Sir, this article, which relates to the depreciation of North and South American securities, starts from 1890 and comes down to the present day; and this is what it says: That a careful examination, comparing the market values of to-day with those of five years ago, shows that the loss to English investors in Canadian railway securities amounts to £16,750,000 sterling. Rather more than \$80,000,000 loss, according to the London "Economist," that reliable and conservative newspaper, accrued to the holders of Canadian railway securities within five years—the five years which the hon. gentleman chose to select as having shown how well Canada had prospered; and here, Sir, is a little sentence to which he and his friends would do well to pay attention:

Moreover, and this is not pleasant to say, the Canadians have not been overscrupulous in their dealings with the mother country. A number of "wildcat" railway schemes have been exploited at our expense, while in some cases investors have suffered from the fact that the undertakings in which they have placed their capital were regarded as aliens, entitled neither to consideration nor fair management.

Surely, Sir, the London "Economist" cannot have been listening to the statements of the Opposition as to the Caraquet railway and a great many other roads of a similar character, here and there, which have contributed to make our railway securities stand far less well in the London market

than we desire to see them. Then, Sir, there is another cause which has contributed very considerably, and that is the great waste which has undoubtedly occurred under the operation of the National Policy. At the direct instigation, if not of the hon. gentleman, at all events of his predecessors, a number of unfortunate men in this country were induced to put their all into enterprises which it was believed would enrich themselves as well as the public. We know too well that there is scarcely a town in Ontario which cannot to-day point to two or three monumental ruins where some \$100,000, \$200,000, or \$300,000, of capital are entombed, never, I fear to be resurrected. That was one process which was going on, and notably during the time when the hon. gentleman thought we were doing exceedingly well. Then, there was another process to which I thought he would have alluded to-day, as it would have afforded him a fair reason for some of the things he had to justify or excuse. Simultaneously with the borrowing of these enormous sums of money on which we have to pay interest, there was a great fall in the income of our agriculturists. Scarcely a single farm product, except perhaps cheese, brings anything like as good a price to-day as it did in 1878. Many of them bear scarcely half the value in the market that they did then. My computation is that the loss in the income of our agriculturists to-day is fully \$20,000,000 a year as compared with their income of a few years ago. I will not go back even so far as 1878. Why, Sir, every man knows that wheat of the very best quality, not to speak of barley and other grains, has to be sold in our markets for scarcely half the price which was freely obtained fifteen or sixteen years ago; and, while that may not be entirely the fault of hon. gentlemen opposite, still it must be borne in mind that, while on all occasions they are ready to take credit to themselves for every cheapness, no matter how obtained, in manufactured articles, they wholly and entirely decline to be responsible for any reduction in the price of grain. Let them be just, Sir; and if they claim to be the authors of this increased cheapness of other commodities, let them stand before agricultural audiences and admit, as they are in honour bound to do, that they are equally responsible for the enormous fall in the prices of agricultural products. And here, Sir, I may pause to say a word or two with respect to this matter of surpluses. In the first place, I have never admitted, and I do not now admit, that the hon. gentlemen's book-keeping has been such as to entitle them to claim credit for anything like the amount of the surpluses which they have put down. But it is a very remarkable fact that all the time that these surpluses were piling up, our debt was likewise increasing very fast. I will go back a little further than the hon. gentleman did, and take the

period of 1880. I find that our net debt increased in that year \$9,500,000; in 1881, \$3,000,000; in 1883, \$4,800,000; in 1884, \$3,700,000; in 1885, \$14,000,000; in 1886, \$700,000; in 1887, \$4,000,000; in 1888, \$1,000,000, and then it came down to a mild \$3,000,000 in 1889. It is almost juggling with words, Mr. Speaker, to say that the hon. gentlemen opposite are entitled to any great credit for the increasing surpluses, while all the time—surpluses to the contrary notwithstanding, and making all allowances for the sum that went into the sinking fund—our net debt went on increasing at such a rate that in ten years it was \$90,000,000 more than it was when I left office. Now, I am not disposed at present to raise the question of the amount of additional taxation which has been taken from the people over and above what goes into the treasury. That may be more fittingly disposed of later on. But a point which I have to make—and I think it is well worthy of our consideration—is that when the hon. gentleman talks so glibly of the certainty of better times, he forgets to inform the House of three important facts—first, that he has a large amount of undischarged liabilities; next, that the country collectively has a great deal more to pay than it had a few years ago; and, unfortunately, that the collective income of the country is very much less than it was. The hon. gentleman looks for a quick rally. Well, I would be very glad to believe that he is right. It is very much to our interest that there should be a quick rally; but I would like to know if he expects an immediate rally in the prices of food and grain, and if so, why? If he does, I could understand the reason on which he bases his expectation of better times. I did not hear him assign one solitary reason for expecting that there would be any great improvement in the prices of our agricultural products. If the hon. gentleman does expect any such improvement, I would like to hear him say—and I will give him the floor with pleasure for that purpose—why he does expect it. Does the hon. gentleman expect to see new sources of wealth develop, and, if so, where? It is possible, in a country so large and so imperfectly explored as ours, that new sources of wealth may be discovered, from which we may receive considerable additions to our national income; but, if the hon. gentleman has discovered such new sources, he has given us no more information about them than he has given about his intention with regard to the Hudson Bay Railway. My counsel to the hon. gentleman is this, that he had better not prophesy unless he knows; he had better accept the situation as it is; he had better not count too fast or too surely on any great amount of betterment. He had better take things as they are revealed in the Public Accounts to-day. I can hardly think the hon. gentleman justified in predicting an immediate recovery as

probable, and I would just call the hon. gentleman's attention to this. The hon. gentleman alluded, and it was natural that he should, to the period of deficits which existed under our Administration. Now it is worth while to observe that within the last thirty years there have been several periods of deficits in Canada. I took occasion the other evening to mention the fact in reply to my hon. friend beside me, that although he was literally correct in saying that the Finance Minister had achieved the biggest absolute deficit, he had by no means achieved the biggest comparative deficit that has been known in old Canada. I have here a statement of the deficits which prevailed in old Canada from 1858 to 1865. In 1858—and I suppose the hon. gentleman knows who was Premier in 1858 ?

An hon. MEMBER. Who supported him ?

Sir RICHARD CARTWRIGHT. I had not the honour of being in Parliament in 1858, and I have no objection to tell my hon. friend opposite that I had the honour of being elected to Parliament, as an independent member, in 1863, nor had I given any adhesion whatever to Sir John Macdonald. On the contrary, all I said in his favour was this, that he was too clever a man to be absolutely proscribed. However, we will come to 1863 presently. In 1858, there was a deficit of \$3,375,000 on a total income of \$5,270,000, being a deficit of just 65 per cent in said income, so that I was pretty well justified in stating that the Finance Minister might take comfort from illustrious example. In 1859, the same distinguished gentleman had a deficit of \$1,500,000, which was equivalent to exactly 22 per cent. In 1860, there was a deficit of \$1,973,000, being equivalent of 26 per cent. He kept up the 26 per cent to 1861, and raised it to 28 per cent in 1862. It fell to 10 per cent in 1863, under the Hon. John Sandfield Macdonald, and thereafter gradually diminished. The point I wish specially to call the attention of the hon. gentleman to is this, that he had better not conclude too hastily that all these deficits will disappear at once. That has not been our past experience. On the contrary, deficits have usually lasted for a considerable period of time, and I would not advise him to depend on any betterment or to be content with the somewhat inadequate provision which he seems to think sufficient for present purposes. Therefore, I think that the hon. gentleman is doubly bound—bound by his own promise, bound by the

condition in which the country is to-day,—to give this House a most full and complete statement of the liabilities for which he expects to have to provide. That, Sir, I must again formally demand. I say, and I leave the matter for his calm reflection, that before this debate closes, we should in all conscience know what is the total amount of our liabilities, what are his intentions with regard to such projects as the Chignecto Ship Railway, the Fast Atlantic Steam Service, and the Hudson Bay Railway. As I understand, he is pledged not to bring down any railway subsidies this year. He does not propose to engage in any Government works other than those of which we have had notice. If he does, all I can say is that he is trifling with the House, and I think with his own character and reputation. If, after the statement he has made, he allows this Budget debate to close without giving us full information on those points, he is now deliberately misleading the House. As I said before, the Opposition in this matter are in their clear right; and I am bound to say that if the Opposition deserves censure, they deserve it for having in past times allowed the Government to bring down, at the very fag end of the session, Estimates involving large appropriations of money which had not been referred to in the financial statement, and for having allowed those subsidies to go through the House without proper discussion. Such practice was wholly in defiance of all sound principle, English precedent, and constitutional rule. Now, I have never declared, and my hon. friends have never declared, that we were disposed to oppose all grants because the Government propose them. But I do say that the hon. gentleman is bound, in every possible form and shape, to tell us before this debate closes, absolutely and exactly what are the financial liabilities of the country and for what sums the Government intend to ask the concurrence of Parliament. Now, as I am aware that the hon. gentleman must get his motion through, and at any rate as we have not had yet an opportunity of inspecting his proposals—I have not even seen them but only heard them read—I do not feel disposed to discuss the proposals at present. And therefore, particularly as the House has listened with extreme indulgence to me and has had a very long and interesting discourse from the hon. gentleman, lasting two hours and a half, I would prefer to move the adjournment of the debate rather than proceed with the somewhat voluminous remarks which I fear I will have to inflict on him with respect to the enlarged duties.

OTTAWA, TUESDAY, 7TH MAY, 1895.

Sir RICHARD CARTWRIGHT. Under other circumstances, I would probably feel it my duty to apologize for the length of time which I have already occupied, or may possibly have to occupy, in dealing with the hon. gentleman's speech on Friday last. As it happens the hon. gentleman on that occasion introduced a great deal of irrelevant matter—in point of fact the hon. gentleman seems to have mistaken the occasion of the Budget statement for an opportunity to make a campaign speech—and he has, therefore, only himself to thank if, on the present occasion, the debate goes over rather wider limits and occupies a longer time than might otherwise be requisite. Now, I do not at all dispute the fact that it was very natural for a Finance Minister situated as the hon. gentleman is situated, to attempt a diversion. It has been the unhappy fate of the hon. gentleman, in connection with his late attempt at revision of the tariff, and also in connection with his present large deficit, to have been obliged to consume an enormous amount of crow; and consequently it is not unnatural that the hon. gentleman should think that it might be as well to take every opportunity that presented itself to divert attention from those matters that ought more particularly to engage our attention to-day. Now, Sir, the hon. gentleman came before us on Friday—to do what? It was his duty, in the first place, to explain to us the cause of the biggest deficit that has ever existed in our financial history since confederation, with the solitary exception of the deficit caused by the North-west rebellion. It was likewise his duty to inform us fully and fairly of our present position and to make a full statement of all the liabilities of Canada, present and contingent, a thing which the House and the country has a right to expect at his hands at this time. That is what I conceive the hon. gentleman ought to have done. What the hon. gentleman in point of fact did was this—deducting the padding, of which I do not complain, because it is always customary for the Finance Minister to review a number of facts which are already before the House through the medium of the Public Accounts and the Trade and Navigation Returns—but, deducting the padding, three-quarters of the hon. gentleman's speech were devoted to a series of garbled and misleading assertions—I cannot call them statements—touching deficits which occurred nearly twenty years ago. Sir, the object was plain. As I said, under the circumstances it was quite an object for the hon. gentleman to divert attention from his own deficit and liabilities. I am obliged to pay a little more attention to those statements for the simple reason that I am aware that all over the country

statements made by the Finance Minister in his Budget speech are accepted by those among his followers who have not the opportunity of hearing the reply as a good deal more authentic than ordinary statements made by Ministers here or elsewhere. Rightly or wrongly, Sir, the Budget speech has come to be looked to as a sort of state paper, and, therefore, I regret that the hon. gentleman on this occasion should have imported into it a number of statements of, to say the least, a very dubious and doubtful character. Sir, I have noticed, and I think that many members of this House have noticed, that while the hon. gentleman has a good memory and is fairly accurate in his statements as regards those events that have occurred in his own recollection, his knowledge of the past financial history of this country, and the past commercial history of this country, is of the most perfunctory character. What is contained within the four corners of the hon. gentleman's brief he is quite competent to deal with; but he has shown on this, as on other occasions, that he possesses an extremely superficial knowledge of things that occurred prior to his appearance in this House, as was extremely well shown on the occasion of his last Budget speech, by my hon. friend from King's, N.S. (Mr. Borden), who sits behind me. Now, as not unfrequently happens, the hon. gentleman on this occasion overreached himself. He has proved what I suspect he did not at all intend to prove; what I fancy his friends will not thank him particularly for proving. But, first I would like to ask a few questions of the hon. gentleman, and if he is disposed to answer them, I will give him every opportunity. I would like to know (after listening to his Budget speech of Friday last), whether he is prepared to allege that the Mackenzie Administration in general, or I myself in particular, was responsible for the distress existing in the United States from 1873 to 1878. I would like to know, Sir, whether the hon. gentleman thinks that the Mackenzie Administration, or I myself, was responsible for the distress which notoriously existed in the case of our other greatest customer, Great Britain, about the same time. I would like to know, in the light of his speech of Friday last, whether the hon. gentleman holds that we were responsible for the shrinkage in values and for the diminished imports from 1875 to 1879. I would like to know whether the hon. gentleman, like some of his predecessors, holds that the Grit Administration were responsible for the three successive bad harvests of 1876, 1877 and 1878. I would like to know whether the hon. gentleman thinks that we were responsible for the fact that Sir John Macdonald and his colleagues—or ought I say, his co-conspirators?—deliberately added \$4,000,000 to our

annual expenditure, without providing for a penny of it, and likewise handed over to us liabilities—also unprovided for—to the tune of \$60,000,000, which would have required a further fixed charge added to our annual expenditure of \$3,000,000 more. And, lastly, I would like to ask whether the hon. gentleman or any of his friends behind him will to-day rise in the House and say that a policy of low taxation is likely to be responsible for diminished imports, or that it was probable, had we had a beneficent tariff like his own, ranging from 30 to 100 per cent, from 1876 to 1878, that the imports would have been less diminished than under a 17½ per cent tariff. If the hon. gentleman has no objection, I would like, if he desires to answer these questions, that he answer them now.

Mr. FOSTER. I would not like to break in on your speech.

Sir RICHARD CARTWRIGHT. Why, Sir, the House will recollect that the hon. gentleman made a great point of the diminished imports which occurred from 1876 to 1878. Sir, until now I have always thought, and I think the House has thought, that it was the special glory and object of the National Policy to diminish the imports of manufactured goods, and thereby to afford a larger market to our own manufacturers; but, waiving that point, the hon. gentleman has proved—and there, for once, I think the hon. gentleman has done some service—the hon. gentleman has proved conclusively in more than one passage in his speech, to which I refer the House, that the crisis which occurred between 1875 and 1879 was vastly more severe than the present crisis; and by inference and by consequence, that the fiscal policy and the administrative policy which prevailed from 1875-76 to 1878-79, were vastly superior to the present policy. Let me ask the House, and let me again ask the Minister, where he would have been had he been called upon to face conditions such as existed from 1874-75 to 1878-79? Sir, let us judge the hon. gentleman, as I always like to judge hon. gentlemen, from his own mouth and his own statements. He attributes his present deficit to three causes. I quote from his own speech:

First of all, I had to contend with a shrinkage of 7½ per cent, I had to contend with reduced imports of 10 per cent, I had to contend with a depression in the United States lasting well nigh eighteen months.

All true. Sir, fancy the position of the hon. gentleman if he had had to contend not only with a shrinkage of 25 per cent, which was about the figure that took place between 1875 and 1876, as ascertained by a careful report made by my late esteemed colleague, Mr. Isaac Burpee, who, at my instance, made a special investigation of that question—what would the position of the hon. gentleman have been had he had to

contend with a reduced importation of 30 per cent, as occurred in those years; what would his position have been had he had to contend with a depression in the United States of far greater severity than the present, extending over a period of more than five years, and these things aggravated by having to provide for seven millions a year, added without provision by his predecessors, and with three bad harvests to boot? Where, I ask, would the hon. gentleman have emerged? Would it have been with deficits of 2 millions, and 1½ millions, and 1 million? Sir, the hon. gentleman, like his late chieftain, would have had deficits of 20, 30, and it may well be 60 per cent on his revenue, as actually occurred under the regime of Sir John A. Macdonald. It is a plain rule of three, reduced importations of 10 per cent, said the hon. gentleman, justify and excuse my deficit of four and a half millions, so that if there be a reduced importation of 30 per cent, his deficit would have been not 5, but 15 millions of dollars, in round figures—or put it at 4½ millions, and 13½ millions, if that would suit the hon. gentleman better. So, with the hon. gentleman's other excuses, I cannot call them arguments. Now, I would like to ask him, I would like to ask any business man in this House or in this country, are they going to escape the payment of one cent of interest on our present net debt of \$250,000,000 because of the long—what shall I call it? exposition in which he indulges, to show that if we had not done this, that, and t'other thing, and incurred this liability and that liability, our total debt would only have been \$139,000,000? Does it better our position one iota that at the present moment, according to the hon. gentleman, our total fixed charges are nearly \$27,000,000 out of an estimated expenditure of \$37,000,000? No, Sir, those fixed charges are largely due to the policy of himself and his predecessors; and while our fixed charges, ranging up to this enormous amount, may and do add greatly to the difficulties of the situation, may and do add greatly to the difficulty of dealing with it, and while they are an extremely strong argument against adding to these fixed charges, against incurring any other fixed obligation, they do not justify in the slightest degree the fact that at this moment our fixed charges, over which he has little control, are close on \$27,000,000 out of \$37,000,000, which is, in my judgment, a disgraceful and a dangerous state of things, and a grave impeachment of the policy which the hon. gentleman has been expounding to us of late. Sir, all this, to my mind, is little better than elaborate trifling. What the country wants to know is, not what the position of the country was 20 years ago, but what the position of the country is to-day. Now, the hon. gentleman did one thing for which I commend him—it was perhaps the one piece of good sense that relieved his discourse—the hon. gentle-

man did frankly acknowledge a huge deficit. But he was not equally candid as to our total liability, he was not candid as to other matters to which he alluded, and which I shall treat incidentally as I proceed. Sir, I do not at all ignore the gravity of the financial situation; I ignore it the less because I cannot but feel that in the estimates which he has submitted, the Minister of Finance has given us mere guesses and not careful calculations. The Minister guesses that if he and his colleagues can keep down the expenditure to its estimated figure, he may save a million; and he guesses that if times get better, he will get a million and a quarter more. He takes no account of possible liabilities for the Atlantic fast service and other matters of this kind, he puts his trust in the chapter of accidents. Well, Sir, if things go well, his calculations may come out well. But let there be any such shrinkage, any such protracted depression as I had to contend with; or let there be, unhappily, a succession of bad harvests, and again I call the attention of the House to the position in which the hon. gentleman may find himself. But, Sir, he ignored two very important factors; he ignored—and to this I call the attention of my hon. friends, especially—he ignored completely the enormous increased taxation under which we laboured in 1894-95, as against the taxation which existed in 1878. Sir, by an extremely shallow artifice, the hon. gentleman, whose policy and the policy of whose predecessors, has added \$40,000,000 a year to the taxes of the people, if you count not only the sum paid into the treasury, but the sum actually taken out of their pockets, takes great credit to himself because, out of \$40,000,000, he was compelled to restore \$4,000,000, not of his own accord, but in deference to the action of the United States Government, the most of which he has taken back since. He takes excellent care to say nothing of all the taxation that he and his colleagues have added, but he parades from one end of Canada to the other the paltry fraction they took off. Sir, he did one thing more, he acknowledged, and thereby again he was obliged by force of circumstances to state the truth, that the taxes he had raised were taken out of the pockets of the people, because he claimed great credit for having enriched them by taking the same taxes off. Nor did the hon. Minister of Finance say anything on another important point, and that is the vastly increased collective indebtedness of the people of Canada. Canada to-day owes several hundreds of millions more collectively than Canada did in 1878; by that I mean our large municipal debt, our largely increased private debt, our increased railway debt, our increased federal debt, and our increased provincial debt. I am not going to waste further time over that matter. If the hon. gentleman disputes the

figures, I can produce them. I have them in detail, and I shall be happy to give them to him or to his friends. There is one point to which I want to call the attention of the House; not only has our taxation been enormously increased and our total indebtedness increased, but the collective income of large sections of the people has been greatly diminished. Sir, I do not believe for my part that Canada collectively, making allowance for shrinkage in values in certain quarters, allowing for the diminished value of property and allowing also for the increased indebtedness—I do not believe that Canada, at all events the five old provinces, are as rich, collectively, to-day as they were sixteen years ago. I know that very large classes of the community are much poorer, although it is true that certain favoured localities, and certain favoured individuals have amassed considerable wealth, while a multitude of the people have become greatly poorer. There has been a huge displacement of wealth. There has been, at all events, no increase of wealth. Wealth is far less evenly distributed to-day than it was sixteen years ago, even if, on a close calculation being made, the result showed that there had been an increase. But, Mr. Speaker, the hon. gentleman's financial policy is, comparatively speaking, a trifle. It is not his financial policy, it is his fiscal policy, it is the whole fiscal policy of the Government which is on its trial to-day. On its trial to-day? It has been sentenced and found guilty and is now standing waiting to receive its doom. By its fruits we shall know it. Now, let us see what the Government did undertake to do seventeen years ago. The hon. Minister of Finance was not here then, nor were a great many of his colleagues, and perhaps they do not know, and they do not remember, what the Canadian Government as constituted in 1878 undertook to do, and now is the time to remind the House and the country what those men promised, and to show them what those men performed. Sir, they promised mainly these two things. They promised they would enrich old Canada by the expedients of heaping double and treble taxation on her. They promised, in the second place, they would create a second Canada for us in the North-west, to share our burdens and lighten our responsibilities, and for that purpose they induced us to incur a huge debt. How have those gentlemen succeeded? Let their own census returns speak for them, from the first page of every volume they have yet published to the last; let their own Public Accounts speak for them; let their tariff speak for them; let their deficits speak for them; let the rise of the Third Party speak for them, a party which is a practical revolt of the large part of the agricultural population against intolerable misgovernment. I sum up the position briefly

for these hon. gentlemen. In these sixteen years they have spent, as I shall presently show, about one thousand millions of dollars in taxes alone, wrung out of the people. They have lost to us, including therein the immigrants that they themselves have stated came into Canada, at least two millions of people in these sixteen or seventeen years. They have in the North-west thrown away lands and diverted from the control of Government and the country an area equal in acreage to half a dozen respectable European kingdoms, and out of the disposition of those lands they have not received enough hard cash to pay the expenses of surveys. Sir, it is a fact that to-day, after parting with the control of a territory one thousand miles in length by two hundred miles in breadth, our Public Accounts show that we have not taken in as receipts from them sufficient to pay the cost of surveying that territory. Well, Sir, as to their other promises. They have been quoted before, and I shall only briefly enumerate them. We were to pay the whole expense of the construction of the Canadian Pacific Railway out of those same land sales. How often have we heard that declaration announced from the Treasury benches. We were to become the granary of the world, and to export 640 million bushels of wheat—no less than that. We were to force the Yankees into begging reciprocity at our hands—it has been a tedious process. The Government were to enrich the whole community, to stop the exodus, and above and beyond all, to inaugurate an era of economy. Sir, the present Finance Minister had two great opportunities given to him. Last year he had an opportunity of revising the tariff. The present year he had an opportunity of readjusting the system of taxation. I propose to examine in some detail how the hon. gentleman has used those opportunities. It is true of the hon. gentleman, as of some other parties, that a little knowledge is a dangerous thing. Drink deep or taste not—but it may be that the hon. gentleman has conscientious objections to drinking deep in any shape; some of his predecessors in that place did not share them. I want to call the particular attention of the House to the net result of the hon. gentleman's tariff experiments. They are interesting, they are highly interesting. And here again I find myself compelled to apologize to the hon. gentleman. I did make a misstatement some months ago, as to the exact extent of his reductions. I am going to rectify it now, and I think for the last time. In the six months of 1894 we imported, of dutiable goods, \$32,845,000 worth; we paid of duty, \$10,198,000. In the six months of 1895 we imported of dutiable goods, \$28,046,000 worth, on which we paid duty to the amount of \$8,701,000. The percentage of duties in the six months terminating on the 1st of January, 1894, amounted to 31 per cent and five hundredths. In the six

months terminating on the 1st of January, 1895, it amounted to 31 per cent and 2½ hundredths, being a reduction of exactly one-fortieth part of 1 per cent, from which it follows, they by pursuing this prudent and highly conservative course for forty years the hon. gentleman may hope to reduce the tariff 1 per cent, and if he follows the advice of the gentleman behind him (Mr. Montague) in the 400 years, which I think that gentleman said he wanted, he would get back to the average tariff of 1878. Four hundred years, therefore, Mr. Speaker, exactly represents the difference between the two parties. Now, I have had my doubts and my difficulties in times past as to where we ought to place these economical Rip Van Winkles. I did not know exactly where to locate them. They do not know enough to be placed with the economists of Sir Robert Walpole's time, nor of Cromwell's time. It was impossible to find them in that period of great souls which distinguished Queen Elizabeth's era, but at long last the Secretary of State has come to the rescue. He has given us a pointer, and now I know where to place them; and it is in the early part of the reign of Edward IV., A.D. 1463. Sir, this is very interesting. I have always myself had a profound respect for the wisdom of our ancestors, though I have not got credit for it always. Now, I want to call the attention of the House to this for it is most curious and most interesting. In the volume in my hand, Mr. Speaker, I possess the Statutes At Large from the first year of Edward IV. to the forty-third year of Queen Elizabeth. Our forefathers had one excellent plan; they meant what they said and they were in the habit of giving their reasons before they introduced an Act of Parliament, and their reasons so far as I can see were mostly true, or, at any rate, expressed their real intention. Sir, were that excellent course pursued down to this day what revelations the preambles of the various Acts of Parliament, particularly about the Hudson Bay Railway, might bring forth. Now, allowing for the dialect, you will find presently that the very words used by our respected ancestors in 1463 are almost the same as those I have often heard used from the Treasury benches in the period from 1878 to 1894. The ideas are identical. The only difference is this: Our ancestors were more straightforward than we were: they knew what they meant and they said so. There was no dodging about the issue with them. What they wanted to prohibit they did prohibit, and they had not recourse to any juggling with specific and ad valorem duties but they did it at once. Here is a little work for the hon. the Secretary of State. I am told his department is not as fully employed as it might be, and so instead of issuing proclamations to the Indians of the Cayuga reserve, the hon. gentleman might apply himself to reviving the Statutes of King

Edward IV. Sir, there is a splendid list of such statutes. It might be drawn out by the Secretary of State for the Manufacturers Association and sent to be registered by their man of all work, the Minister of Finance. First of all, to go a little further afield, there is a Grand Statutory Chapter 21, Anno 19, King Henry VII., which prohibits the importation of silk goods, and if any feminine free traders are caught wearing silk goods of foreign manufacture describes how they are to be dealt with. Then there is Chapter 9, of the first year of Richard III., which ought to be specially dear to the member for South Leeds (Mr. Taylor). This declares under what circumstances Italian merchants may sell goods, and it also mentions the restraints that ought to be imposed on aliens. Why, Sir, just read "Yankees" for "Italians," and the Act of King Richard III. would fit the hon. gentleman from South Leeds (Mr. Taylor) at once. But, it is when we come to King Edward IV., it is when we come to the year of grace, A.D. 1463, that we find where the member for Haldimand (Mr. Montague) and his colleagues really drew their inspiration. Here I have got to apologize. I have been talking to these hon. gentlemen opposite, and I have been treating them as if they were mere plagiarists of Yankee notions. Not at all, Sir. They went back to the pure source of English law undefiled which I will read to you. Everything King Edward IV. did seems to have been directed, and directed admirably, to the carrying out of true protection doctrine. Why, Sir, here is a Statute of Edward IV., a restraint for bringing corn into the realm to the damage of farmers; here is a declaration that farmers shall not sell wool out of the realm to the prejudice of the manufacturers, and here is a declaration that no one can bring wrought silk into the realm to be sold, or he shall answer for it to his peril. But the jewel of the whole, the gem of the whole, the real Magna Charta of English protection, is Chapter 4, Anno Tertio, Edward IV. I shall not apologize for reading it, because I know the hon. gentlemen opposite, and particularly my hon. friend from Bruce (Mr. McNeill), will delight to see that he is only treading in the footsteps of his ancestors. It is entitled:

Certain merchandise not lawful to be brought ready-wrought into this realm.

And it reads:

Item, whereas in the said Parliament, by the artifices of manual occupation, men and women inhabiting and resident in the city of London and other cities, towns, boroughs and villages within the same realm of England and Wales, it hath been piteously showed and complained, how that all they in general, and every of them, be greatly impoverished, and much hindered and prejudiced of their worldly increase, and daily living, by the great multitude of divers commodities and wares pertaining to their mysteries and occupations, being fully wrought, and ready made to sale, as

well by the hands of strangers, being the King's enemies, as other in this realm and Wales fetched and brought from beyond the sea, as well by merchants strangers, as denizens and other persons, whereof the greatest part in substance is deceitful, and nothing worth in regard of any man's occupation or profit.

You will observe, Mr. Speaker, that these worthy men understood the dangers of shoddy goods at that early date. You will observe likewise that they were clearly awake to the necessity of preventing England from being made a slaughter market:

If due remedy be not in this behalf provided: our redoubted Sovereign Lord, the King, considering the promises and willing in this case to provide remedy, by the advice, assent, and authority aforesaid, hath ordained, enacted and established, that no merchant, born a subject of our said Lord the King, denizen or stranger, nor other person, after the feast of St. Michael the Arch Angel next coming, shall bring, send, nor convey nor cause to be brought, sent, nor convey into this realm of England and seignory of Wales, any of the chassers, wares or things underwritten, that is to say.

I am not quite sure whether the law-makers of this early day plagiarized in some mysterious way the tariff of the Minister of Finance, or whether the hon. gentleman plagiarized King Edward IV. However, these goods were then prohibited in England:

Any woollen caps, woollen cloths, laces, corses, ribbands, fringes of silk and of thread, laces of thread, silk twine, silk in any white embroider, laces of gold, tires of silk or gold, saddles, stirrups or any harnesses pertaining to saddles, spurs, bosses of bridles, andirons, gridirons, any manner of locks, hammers, pinsons, firetongs, dripping pans, dice, tennis balls, points, purses, gloves, girdles, harness for girdles of iron, latten steel, tin, or of alchemine, anything wrought of any tawed leather, any tawed furs, buscans, shoes, galoshes, or corks, knives, daggers, wood knives, bodkins, sheers for tailors, scissors, razors, sheathes, playing cards, pins, pattens, pack needles, any painted ware, forcers, caskets, rings of copper, or of latten gilt, chaffing dishes, hanging candlesticks, chaffing bells, facing bells, rings for curtains, ladies, scummers, counterfeit basons, ewers, hats, brushes, cards for wool, blanch iron thread, commonly called and named white wire, or any of those wares or chaffers to be uttered and sold within the same realm of England or Wales by way of merchandise, upon pain to forfeit the same merchandises at every time, and as often as they may be found in the hands of any person or persons to be sold; the one part of the same forfeiture to be paid to the use of our Lord the King, and the other half to him that will first seize the same for the King; the same half by him so seized for our Lord the King to be delivered by the said seizer thereof to the Escheator of the county or place where the said seizing shall be by indenture between them made duly to answer thereof in his account.

And then, Sir, there is a qualifying postscript, which goes to show not only how zealous they were to provide a home market, but how desirous they were to see that vested interests should not suffer. The protectionists were to have their own way on land, but it was provided further:

Provided always, that if any of the said wares or chaffers made out of this land be taken upon the sea without fraud or collusion, or come in this realm, by way of wreck, that those be in no wise taken within this Act or statute, but that they may be sold within this realm, this ordinance notwithstanding.

An honest protectionist on land was to be protected in his rights, but an honest pirate at sea was not to be overlooked either.

Mr. MONTAGUE. Are there any more acts like that?

Sir RICHARD CARTWRIGHT. Oh, there are lots more; but that, I think, is the true Magna Charta. Now, there have been several curious coincidences noted, but it is a very curious coincidence, indeed, that, four hundred years ago King Edward IV. had a certain councillor of the name of Montague. He was a privy councillor, and, according to court gossip, a mighty loose fish, too. Who knows, Sir, but there may be a connection? although I am bound to say, so far as my recollection recalls the portraits that have come down to us from that time, that there is not a great deal of physical resemblance between the hon. member for Haldimand and the stately proportions of the king-maker and his brother. Now, having analysed the tariff reductions, it becomes our duty to look at the tariff exactions; and I would, with all my heart, that the exactions were as moderate as the reductions have been. In this connection I am going to make one or two statements which, to some of my hon. friends may appear rather startling. But I make these statements after examination, and with knowledge, and I think I may venture to say that hon. gentlemen will find that I am amply able to maintain what I do say, though I will not engage to maintain all that our opponents are pleased to allege that I do say. With respect to that tariff, I make these three statements. First of all, I say that the amount of the total taxation from excise and customs exacted from the people of Canada since 1879, fully averages \$60,000,000 a year; that is to say, that in that time it amounts to a total of about \$1,000,000,000. Looking at the whole situation, I will not dispute the statement of the member for North Simcoe (Mr. McCarthy), who, I believe, estimated the taxation at a much higher figure. It is quite possible I know that he may make good his case, knowing as I do the enormous inconvenience and injury which result from interference with trade. But I am prepared, for my part, to show that \$60,000,000 a year is a minimum, and highly conservative estimate of the total taxation inflicted on the people of Canada by the present tariff. Then, Sir, I have to make this second statement, that the total amount of taxes exacted from the people of Canada during that time, would not merely have defrayed all our expenses,

but, could the people have been induced to bear it, the balance would have enabled us, if invested at 4 per cent, to defray all our expenses at the present rate for evermore. And, as regards the incidence of this taxation on the people, I make this statement, that, apart from the excise and customs duties on liquors and tobacco, which are classed by hon. gentlemen opposite as voluntary taxes, and which, in a certain sense are so, an ordinary Canadian artisan or wage-earner receiving ordinary wages, is compelled, under this tariff, to pay at least twenty-fold as much as his English brother artisan, earning like wages.

Some hon. MEMBERS. Oh, oh.

Sir RICHARD CARTWRIGHT. Hon. gentlemen will do well, when I make a statement, to wait until I conclude my remarks, and then, if they can, they are abundantly welcome to answer them, though they will not find it so easy to do so. These are strong statements, but I am prepared to justify them, and to stand by them. I make them here with full knowledge of the weight of this taxation. And now, as proof of my statement that \$60,000,000 are at present exacted from the people of Canada, everybody knows that we tax ourselves at present to the extent of about \$30,000,000 a year which is paid into the treasury, and, therefore, the total amount of taxation so paid in those sixteen years amounted to about \$450,000,000. It is an incident of all indirect taxation, that whenever you undertake to raise a large sum of money from the people by indirect taxation, even when it is imposed in the most honest possible manner for revenue purposes only, there will be a large loss. The extent of that loss depends on the number of middlemen through whose hands it passes before it reaches its final destination; but it is always large. Probably it is not at all an unfair average to say that in the great majority of cases it fully equals one-half of the original tax. That is a point which hon. gentlemen will find very fully discussed elsewhere, and I will not waste time upon it now. But, Mr. Speaker, everybody knows, too, that all financiers, good, bad and indifferent, find it convenient to raise money by indirect taxation, knowing, notwithstanding its expensiveness, that otherwise there would be great difficulty in getting the people to pay. No doubt that accounts for the large figure which indirect taxation has played in all financial schemes. But, in the present instance, we are not dealing with a tariff imposed for revenue only. We are dealing with a tariff which is openly avowed to be a protective tariff, a tariff which, in many instances, is prohibitive, a tariff which ranges from 30 to 100 per cent. So far as a tariff is protective, the measure of the taxation is the total consumption of imported goods, plus the goods manufactured under that tariff

in the country. Where those goods are double the amount imported, the tax will take at least \$3 out of the pockets of the people for every \$1 which it puts into the treasury. Where the goods manufactured in the country under the tariff are four, or five times the amount of the goods imported, then you may fairly conclude that it will take four or five times more out of the pockets of the people than it puts into the treasury. Now, we will take a case which my hon. friend from West Ontario (Mr. Edgar) worked out very well last session—the case of cottons. Our total import of cottons of all kinds is about \$4,000,000. Our total manufacture of all kinds amounts to about \$10,000,000. Our total consumption of cottons is, therefore, about \$14,000,000. By the time they reach the consumer, these goods are subject to a tax of about 40 per cent—about 30 per cent directly under the tariff, and about 10 per cent or probably more, indirect, in consequence of their passing through the hands of certain middlemen. The practical result is that, in the case of cottons alone, the people pay a tax of about \$5,600,000, of which the revenue receives \$1,140,000. And as with cottons, so with all other manner of articles, with this single qualification, that this tariff is largely prohibitive, and where it is prohibitive, a huge tax is inflicted on the people, of which nothing goes into the treasury. We had an admirable illustration of that very lately in the case of sugar. Until the other day, our consumption of 300,000,000 pounds of sugar was taxed two-thirds of one cent. The people were taxed \$2,000,000 a year, and not one cent went into the treasury. That is going to be modified now. The people will be taxed to the tune of \$3,000,000, and \$1,200,000 is to go into the treasury. Then there is absolutely no detailed evidence of the indirect mischief and loss which arises under these tariffs from the well-known fact that when you tax one class of manufacturers, you hurt another. When you protect one man, you injure another. That is constantly the case, and in nothing more is it the case than in the matter to which I shall allude further on—the enormous mischief which these men have done by their tax on iron, for instance. I have only computed the loss at a little over double the amount of the taxes. That is to say, we take a little more than two dollars out of the pockets of the people for one dollar we put into the treasury. That, I may add, is a vastly smaller figure than those American economists, who have had occasion to look closely into the matter, have estimated the tax at. I repeat that, on a minute examination, it will be found that mine is really a conservative estimate. There is an extremely strong probability that the real cost to the people is greater than the \$60,000,000 a year at which I have put it. Of this amount \$30,000,000 goes to

the treasury, and the remaining \$30,000,000 is the lowest estimate of the loss that is caused. Another cause that has enormously aggravated the burden of this huge sum of one thousand millions, is the frightful injustice with which it is levied. In most countries, statesmen try to make the taxes as low as they can on the poorer, and as high as they can on the wealthier portion of the community. But what did hon. gentlemen opposite do? Mind, I am now speaking of the taxation that existed up to 1894. The principle remains, but our exertions on this side resulted in some of the grosser abuses being modified last year. I have here a statement in pretty full detail showing the operation of these duties. I call the attention of the House to a few of the more glaring cases of gross injustice. I find that what is called heavy beaver overcoating of the coarser sort, which costs in England 29 cents, was taxed by us to the tune of 72 per cent under the old tariff. It is a coarse beaver overcoating which is brought into this country and sold for the benefit of some of the poorer portion of the community. The more expensive beaver, which costs 7s. 9d., was admitted, under our tariff, at 28 per cent. I am, of course, giving now the extreme range, although there are overcoatings which cost even more. Serge cloth which cost in England 41 cents paid 58 per cent, and that which cost \$1.26 paid 33 per cent. What is called nap overcoating, which cost in England 28 cents, paid, under our old tariff, 75 per cent, and that which cost \$1.34 only paid 33 per cent. I give those simply as illustrations of the gross injustice with which, in the past, that tariff was levied. As I have said, the remonstrances of myself and my friends here did compel the Government to somewhat modify those outrageous duties, and although the principle remains and the injustice is not obliterated, it has been to some extent reduced. I now want to call attention to the other fact to which I have alluded, and that is the way in which taxes are distributed in Canada and in England, and I propose to give exact and literal proof of the statement I have made, that the taxation to which the artisan, for instance, is compelled to submit in Canada is twenty-fold worse than what he is compelled to submit to in England. Let me here take occasion to characterize, as they deserve, certain impudent assertions which are being made in various parts of the country, to the effect that if the Liberal party get in they propose to levy heavy and obnoxious taxes on the whole community. I have seen statements that if the Liberal party came into office they would tax every gun and every dog, and impose a poll tax on every man, woman and child. If there be any simple souls who believe those statements, let me assure them, on behalf of myself and friends, that neither dog nor

gun will be taxed under our regime, and much less will any poll tax be imposed. The English taxes are levied in this way. One-third is extracted from the people by means of taxes which do not touch the poor man at all, such as stamp dues, income tax and death duties. Those do not touch the poorer classes at all. Another third is extracted by heavy duties on liquor and tobacco, which undoubtedly touch the poor and heavily, too, but which hon. gentlemen opposite have all along contended are purely voluntary taxes, and therefore, do not count. Then there remain the customs taxes. What are they? Remember they are the only tax which the English wage-earner is compelled to pay, according to this argument. They aggregate about £20,000,000 sterling. Of those, fully £15,000,000 are taxes on wines, spirits and tobacco, which come under the same category as excise. There is no tax levied on the poor man in England, except some utterly trifling and insignificant taxes on certain kinds of fruit bringing in a very small revenue, and the tax on tea. And that tax on tea, subdivided among the people in England, would show that the total tax which the English artisan is compelled to pay would barely equal one-twentieth part of that which the Canadian artisan or wage-earner must pay on every single article he requires to use for the benefit of his family, with the solitary exceptions of anthracite coal and tea. Everything else is taxed. His shoes, his books, his tools, the clothes he wears, the nails and iron he uses in his daily avocations—all are heavily taxed under this tariff. I have computed the average taxation of every family in the Dominion at about \$60. Deducting \$10 for the excise, there remains \$50 per family, and on that I base my statement that the taxation amounts to nearly \$10 per head. On that, also, I base my statement that the absolute taxation which the Canadian wage-earner has to pay is twenty-fold greater than the taxation which his brother artisan in England is compelled to pay under the English system of taxation and customs duty. Now, my third statement is self-evident. It is clear as daylight that if I am correct in saying that \$1,000,000,000 have been exacted from the people of Canada within the last sixteen or seventeen years, \$400,000,000 or thereabouts would have been ample for all the requirements of government; and I merely mention this to show the huge sacrifices which have been inflicted on our people in the attempt to carry out this experiment of the National Policy. Could our people have been induced to submit, under a revenue tariff, to a like taxation, they might have paid off every atom of the federal and provincial debt, and municipal debt, and a huge cantle of their private debt besides. Or the money might have been invested for them, and the

interest at 4 per cent would have amply discharged all that ought to be spent for the government of this country. I now come to a graver subject yet, and that is the question of the loss of population, for which the National Policy is so largely responsible. Now, Sir, I desire to call your attention to the extent to which that loss has gone—because I am aware that a number of hon. gentlemen, either by deliberately shutting their eyes, or by refusing to examine into the question, or listen to the discussion of it, are gravely in error as to the extent of that loss. Sir, I find, in the first place, that in the older provinces of Canada, in Nova Scotia, Prince Edward Island, New Brunswick, Ontario, and Quebec, according to the census returns, the total growth in the last ten years amounted to barely 325,000 souls—a growth, Sir, of about $7\frac{1}{2}$ per cent. I find that of that growth, poor and meagre at it was, one hundred thousand or more were due to immigration, as shown clearly in certain of the census returns which deal with that question. Now, the result of all that is this: That during the last ten years the absolute growth of the native population in these five provinces amounted to barely 225,000 souls, on a population, in 1881, of 4,150,000. That is to say, Mr. Speaker, in these old provinces, amply capable of supporting a population treble that they now contain, the total growth in ten years had sunk to $5\frac{1}{2}$ per cent, exclusive of immigration. Now, Sir, if the House wants to know, further, what that means, I will tell them. At a very moderate computation, our annual increase of population always before amounted to—and still would if our younger people had stayed here—to about 2.15 per cent per annum. The truth of the matter is this, that our annual growth was just one-fourth part of what it ought to have been. How grave a matter this is may be learned from two facts. As everybody knows, during these ten years, there was considerable immigration into Canada, though infinitely less than the Government stated; and, as everybody knows, or everybody ought to know, there was, during these years, a large emigration from the parent country. I have looked up the growth of population of England and Wales for these ten years, and I find that while the five old provinces of Canada, apart from immigrants, increased $5\frac{1}{2}$ per cent in ten years, the increase of population of England and Wales, after supplying a large number of emigrants to other countries, was 11.65 per cent. So we have come to this in Canada—our natural growth, apart from the immigration, in our older provinces, is less than one-half that of England and Wales, after supplying emigrants to half the known world. And if a further indication is wanted, I will call the attention of the House to this further fact—that in the United States, during a

period when their population corresponded with ours, from 1790 to 1800, and from 1800 to 1810, and downwards, their average natural growth of population appears to have been rather more than $3\frac{1}{4}$ per cent. Their growth was $3\frac{1}{4}$ per cent per annum from 1791 to 1820, without any assistance from immigration. Our growth appears to be about one-half of one per cent, or thereabouts. Now, Sir, if there is any sane man in this House who thinks that these facts can be ignored, I should like to hear from him. If there is any sane man in Canada who will tell the people that all this indicates prosperity, I should like him to state the reason why. Sir, I regard the true wealth of a nation as mainly concentrated in the number of healthy, vigorous, intelligent men and women that nation possesses. These I regard as an item of wealth infinitely more valuable than savings bank deposits, infinitely more valuable than anything indicated by circulation or mileage returns. Sir, the true test of prosperity, in my judgment, is that the people that come to Canada should be glad to come, and glad to stay, and that the people who are in Canada should be glad to remain, and not look for opportunities to go away. Now, Sir, I have accepted, up to this point, these same census returns as being truthful. But we have the strongest grounds for accepting as correct the statements made by my hon. friend from King's, N.S. (Mr. Borden), that, in certain of the maritime provinces, at any rate, very gross frauds have been committed for the purpose of swelling the apparent population. And, if I have misstated the case, if I have imputed wrong to the department which did not exist, the conduct of the department itself is the answer. When the charge was made on the floor of this House, and the proof was given by my hon. friend in a manner which no man could gainsay, and no man could contradict, what did we find the department doing? Putting every obstacle in my hon. friend's way, and in the way of other hon. members who wished to investigate the matter—deliberately refusing to give the names of people who had been returned in certain districts, refusing on the flimsiest and most ridiculous of pretexts. The indications are that, if the proportions shown by my hon. friend in the figures he gave, hold for other districts, instead of an increase of 225,000 for these provinces, I fear we should have a bare 200,000. It is to be hoped that my hon. friend, and other hon. gentlemen will prosecute the inquiry into this matter, and ascertain, if possible, to what extent these frauds have gone. Now, Sir, with reference to the returns of population, the conduct of the department, and the conduct of those charged with making the census returns is open to the gravest suspicion. In other respects, it is open to no suspicion at all. Sir, I have here a

volume called "Census of Canada for the years 1890-91, vol. 3," to which I wish to attract the attention of this House. I do not object to men defending their cause by any honest arguments, but I do object, and I think the country will object, and I hope the whole House will sustain me in objecting, to seeing our census returns made the means of disgraceful fraud. As to the returns of population, I have indicated what I think. But now we come to the proofs which these census returns offer us of the huge increase in industrial establishments, and of people employed therein under the National Policy. These census returns declare that 25,000—only think, 25,000—new industrial establishments blossomed into existence between 1881 and 1889 and that 112,000 people were employed in these establishments, who, presumably, would not have been employed at all but for them. I have taken the trouble to analyse these statements. I am not going to deal with the matter fully, my friends must help me to bring before the country the results to be learned from the analysis of the returns with regard to these figures, 25,000 new industries. First, I come to what appears to be a wholly new industry, because I find no reference to it in the similar volume of the census of 1881, which, also, I have in my hand. This is the industry of knitting factories. You will find them narrated on page 195. The House will be delighted to hear that there are now, or were, in 1891, 223 industrial establishments in the shape of knitting factories in Canada. Where is the Minister of Militia? Is he here just now? or is there no Nova Scotia Minister representing that province?

Some hon. MEMBERS. No.

Sir RICHARD CARTWRIGHT. Well, I am very sorry, because I was about to congratulate him. Nova Scotia is specially privileged. Of the 223 knitting factories, 99 were developed in Nova Scotia. And more than that, of the 99 developed in Nova Scotia, 93 were developed in the county of Shelburne. I find on further examination that the 93 industrial establishments in the shape of knitting factories in the county of Shelburne, employed collectively 126 hands. I find further, on the same page of the census, that they earned in that year, \$1,833, being at the rate of \$14.55 per year for each hand, or 28 cents a week, and $4\frac{1}{2}$ cents a day. I find that in Quebec, in the county of L'Assomption, there were 12 industrial establishments known as knitting factories, employing collectively 12 hands, earning an average of \$63 a year, being at the rate of \$1.20 per week, wherewith, I suppose, to discharge the wages of superintendents, the cost of finding power, and dividends to the company. Portneuf is equally favoured, it has 12 establishments, which average \$90 per year in wages, or \$1.60 per week. Now, I find here that the value of machinery

and tools employed in each factory are given; and it may interest the hon. member for Shelburne (Mr. White) to know that the 93 knitting factories in Shelburne actually employed for machinery and tools to the value of \$623, being at the rate of \$7 per factory for machinery. Now, I want to call the attention of the House to this fact. We are told there were 25,000 new establishments; I have shown you what some of those consist of. I have analysed these further, and I find that out of the 223 knitting factories, there may possibly be 30 that deserve the name by a stretch of courtesy. Those 30 pay \$288,000 in wages out of a total of \$322,000. The remaining 193 pay an average of \$200 a year for all purposes. But, Sir, great as the knitting factory is, fine as the work which the National Policy has got in there, finer still is the work which the Census Commissioners got in there, it pales before the industry of carpet-making. The House will be glad to know, I was glad to know, that there are now 537 industrial establishments for making carpets in the Dominion of Canada. I find by a reference to the census returns of 1881, that there were only 11 then in existence; we have therefore an increase of 546, which is something like—how many thousands per cent? Is it 5,000, or 50,000 per cent? Some of those hon. gentlemen who are good at it, may occupy their leisure time in making the calculation. Well, Sir, of these 557, 51 are in New Brunswick under the fostering care of the Minister; and they employ 51 hands, mostly old women. Their collective wages are \$1,792; so that each of them earns \$36 per year, or 70 cents per week. Nova Scotia possesses 106 factories for carpet making, employing 117 hands, who earn \$62 a year, or \$1.10 per week, according to the census. Prince Edward Island, I am happy to inform my hon. friend, averages \$100 per year. Assiniboia has one factory for carpet making, paying \$15 per year in wages. Now, I may remark that of the 213 knitting factories in all the provinces except Ontario, not one appears to average \$100 a year in wages, or to employ 2 men. The total wages paid in these 213 factories amount to \$14,827, which is not quite \$70 per year each. Of hosiery factories, I find there are 58. Of these, 18 paid \$124,000 in wages; and 40 paid \$7,000, being an average of \$170 a year apiece. Now, Sir, what I want to point out is the absolute worthlessness of the industrial statistics which have cost Canada \$550,000, according to our public accounts, and which are being paraded in every newspaper these gentlemen control, which are paraded in our Year-Book, which are quoted by gentlemen who desire to discourse on statistical matters, as evidence that after all the National Policy did a great deal, that it established 25,000 new industrial establishments, which employ 112,000 hands—but how many of them at wages of 4½ cents

per day? Sir, I take the case of the boot and shoe industry, a valuable industry, an industry which has many large manufacturing establishments. Let me take the case of Quebec, which is reported to have had 1,905 industrial establishments for making boots and shoes. Now, 320 of these paid \$2,400,000 in wages out of \$2,900,000. They employ nearly all women and children, and 5,200 men out of a total of 7,445. The remaining 1,600 industrial establishments employ 2,245 men among them, being an average of one man and one-third of an apprentice to each industrial establishment. Sir, take the case of blacksmiths. They supply 9,432 industrial establishments, which employ 11,761 men. Well, the result is that 7,000 of these establishments are operated by one industrious artisan, and 2,400 employ one man and one boy. I will take another case. I will take the case of one or two of our cities, and although I have given this before, it will bear repeating. We will take the case of the good town of Port Hope. During the last ten years unhappily Port Hope lost 539 in population, besides the natural increase; but while the people decreased, the industrial establishments multiplied. There are now 147 industrial establishments in Port Hope; 63 of these employ one man, or one woman, one boy, or one girl; 20 of them employ two men, or two women, two boys, or two girls; 33 of them employ three men, women, boys or girls; 118 establishments employ 219 people, or equal to one man or woman to each industrial establishment, and three-quarters of a boy or girl. Sir, does the House want to know anything more about the value of these census returns? Here is the volume, it is a mine, and I present it to my hon. friends. For every case I have given 50 more can be presented, whenever the hon. Minister of Finance desires them. And here I may make a remark or two on the new taxes that have been imposed. As the hon. gentleman knows, I had no opportunity of inspecting these proposed changes on Friday night, but since then, of course, they have been placed in my hands. As regards the taxes on spirits, none of us will raise any objection to the increase, the Finance Minister is welcome to get all he can out of spirits and liquors. The only question is whether he has raised the taxes to a point which may possibly provoke further smuggling or illicit distillation. A good deal of smuggling has taken place in the past, and I am inclined to believe that the hon. gentleman has got perilously near the point at which that smuggling will be largely increased. As regards sugar and the collateral industries affected, I do not know that I am going to say more at the present time than this: They afford a most admirable object lesson of the general truth I stated, that for every dollar

the hon. gentleman pays into the public chest he is safe to exact at least two dollars from the people. We are going to pay one dollar and fourteen hundredths on all sugar from this time out, as nearly as the refiners can get to it; we shall get about \$1,200,000, and the people will be taxed to the tune of about \$2,000,000, provided our consumption equals the amount expected by the Finance Minister, namely, 250,000,000 pounds. As to how the other industries may be affected or interfered with, it is impossible to say. I observe the hon. gentleman has raised the tax in some cases on other articles to something like 50 per cent on the original value, as in the case of jams and jellies, and I find he gives enormous protection in the case of certain syrups and molasses. I do not know exactly how many pounds go to make a gallon of ordinary cane syrup; but if I followed the hon. gentleman rightly, the tax now imposed is likely to give 70 or 80 per cent protection to any party who embarks in the manufacture of cane syrup, a protection hugely out of proportion to any benefit that will accrue to the treasury. Although it may be that some parties have to suffer from this excessive protection, it is an ill wind that blows nobody good, and the House will be glad to know there are worthy parties, some not altogether unknown to us, who are supposed to benefit largely by the imposition of this tax. A very strange statement has been made and publicly circulated, which I mention, not that I am going to pledge myself to its literal truth, but which I deem to be a matter that will bear some investigation and inquiry. In a despatch from Halifax it is stated that the levying of a duty of one-half cent a pound on raw sugar will prove a bonanza to the Acadia Sugar Refining Company; that they have a stock in hand of raw sugar admitted free which in view of the imposition of the new duty will represent a profit of \$335,000, not to speak of the general increase in the price of sugar. If that be the case, those worthy gentlemen must have accumulated about 34,000 tons of sugar within a very recent period.

Mr. HAGGART. Sixty thousand tons.

Sir RICHARD CARTWRIGHT. No, 34,000 tons. 67,000,000 pounds of sugar, I beg to inform the hon. gentleman, will yield at one-half cent per pound an amount of duty equal to \$335,000, and 67,000,000 pounds represents 34,000 tons. The hon. gentleman can revise this calculation at his leisure. I should like to know, and I dare say many other people would like to know, who are the proprietors of the Acadia Sugar Refining Company. Why should the proprietors of the Acadia Sugar Refining Company, if these statements be correct, receive a gift of \$335,000 at the public expense, which is practically what is being

done? I remember long ago an occasion when the case was reversed. When the duty was taken off tea, if my memory serves me, Sir Francis Hincks compensated the holders of tea. It is a poor rule that does not work both ways, and the Acadia Sugar Refining Company might hand \$335,000 over to Canada, and they might do this not unjustly. The hon. Finance Minister may not assent to this, but the cases are practically identical. These corporations have been very highly favoured in the past, and a very fair ground for argument might be made out for assuming the position that while no injury should be done to them, one of such corporations should not be allowed to pocket \$335,000 at the present moment for their own personal benefit. I do not know, but I rather suspect that other refiners may not have been all equally provident. If they have been, there is going to be a very heavy discount on our new taxes. However, I have put certain questions on the Order paper, to which I hope to receive full and fair replies, which will enable us to ascertain in some detail how and in what fashion those benefits have accrued to those lucky individuals, the proprietors of the Acadia Sugar Refining Company. Sir, in this connection I may refer to certain specific cases of injustice committed by the tariff. I have often pointed out that while this tariff discriminated very heavily, in our judgment, against the whole producing classes, it was almost equally unjust to certain classes of manufactures, and that is in the nature of a protective tariff. What is one man's finished product is another man's raw material, and the consequence is that when you impose taxation in that fashion, you are very apt to hurt one manufacturer proportionately as you assist another. Now, Sir, that has been very notably the case of late years with respect to certain very important classes of manufacturers; all those who work in iron. I do not hesitate to say that they have been very unjustly treated, indeed, under this present tariff. I can see no just reason whatever why the iron worker should be compelled to pay 30 or 40 or 50 or 60 per cent perhaps, on his raw material, while the cotton manufacturer or the woollen manufacturer gets his raw material free. Let us have some fair-play, let us have some justice, let us have some reason in these matters, and if you are going to allow your cotton manufacturers and your woollen manufacturers and other manufacturers free materials, why in heaven's name discriminate against the iron manufacturers. They employ full-grown men with families dependent upon them, and it is well known that in the textile industries a large number of employees are only women and children. Sir, the manufacturers of Canada will do well to understand that, while the Reform party do not profess to favour

them specially, neither do they wish, nor if they can will they permit, injustice to be done to one class of manufacturers for the benefit of another. As to our agriculturists, everybody knows that they are at present exposed to intense competition from the whole world. Every one knows that the prices of their products are not fixed by Government, but are fixed by the prices for which the productions of India, Argentina, Australia and other countries can be sold in the home market. The Government are hopeless and helpless to aid, but they are very potent to injure, and we find that things which are in the strictest sense the raw materials and the tools of the agriculturists, are constantly and repeatedly subject to very unjust taxation for no earthly reason except the benefit and advantage of a very small number of protected manufacturers. I notice one thing more. The hon. gentleman (Mr. Foster) descanted largely on his free list, and I have a word or two to say as to that free list. The hon. gentleman is right in saying that a very great number of articles have been put on the free list. They range in our tariff from No. 482 to No. 778. There are 296 items on the free list, and of the 296, by actual count, I make it that there are three items which may fairly be considered as likely to benefit the public at large. The remaining 293 items are almost all for the benefit of certain special classes, either manufacturers or parties entitled to some privilege. On that free list of which we have heard so much there are, as I have said, three articles of general benefit, namely, anthracite coal, tea, and certain fruits. Almost all the rest of the articles are subject to duty and the articles that are admitted free are admitted, as I have said, simply and solely for the benefit of special individuals or special classes. But, Sir, it may interest our farmers particularly to know what they are allowed to import free. Should a farmer desire to adorn the walls of his mansion with pictures of the old masters, at a value of, perhaps, \$20,000 each, he can import them free; but if he wants wall paper he has to pay from 40 to 100 per cent duty. If it pleases the farmer he can import ice free, but if he wants coal oil, he must pay 6 cents a gallon. By a wonderful dispensation, leeches are allowed to be imported free. I suppose the Finance Minister regards the leech as a totem of the National Policy, and entitled to special consideration. All Indian tribes respect their totem, and I do not see why protectionists should not respect theirs. But, if the farmer gets his leeches free, they take it out of him in tools, which are taxed 35 per cent. If the farmer greatly desires it, he is allowed to import ambergris free; but if he wants Indian corn for his cattle, he has to pay a duty of $7\frac{1}{2}$ cents per bushel. If he likes a cabinet of antiquities, the farmer can get them as free as he pleases; but if

he wants binding-twine, he has to pay 12½ per cent ad valorem. He can get sand free, but saddlery is 30 per cent and barbed wire \$15 per ton; and that I think about comprises the list of articles which the farmer of Canada might import free. I do not want at the present moment, I have hardly time in fact, to dwell at length on the immense corruption which is always consequent upon a tariff of this kind. Whenever you make it the interest of a number of people having a command of money to dictate to the Ministry of the day what shall be taxed or what shall not be taxed, you have provision for ever made while your tariff lasts, for a permanent corruption fund. But I want to call attention to the extent to which our manufacturing friends, according to their own report, do dictate and did influence, not later than last year, the operations of the Finance Minister. I shall quote from the report of the secretary of the Manufacturers' Association. Quoth that gentleman:

It is but an act of justice to the committee to direct attention to the large number of changes made in the tariff along the lines of their recommendations, and in many instances the language used in both is substantially identical.

No doubt it is.

This is particularly noticeable as regards the iron industry, the duties on textiles, the duties on drugs, chemicals, alcoholic preparations, &c., as well as upon a large and extended list of miscellaneous articles, and most important additions to the list of non-dutiable articles. In many instances, where we suggested no changes, no changes were made.

Sir, I don't doubt it. I do not doubt that the Minister of Finance, then as heretofore, has proved himself in all respects the faithful servant and mouthpiece of the Manufacturers' Association. Now, what is the excuse that these men make: what is the excuse the Ministers make for their heavy taxes? They are willing to tax us to death to keep out pauper-made goods, and then they are willing to take millions of these taxes to pay paupers to come here and deprive our people of their livelihood. I have spoken of the enormous waste of capital that went on under the National Policy, and I emphasize it again for this reason: That in that waste of capital lies the chief apology for the creation of those numerous combines which now conspire together to raise the price of many articles of common trade and commerce, and which have been very ineffectually dealt with by certain measures, promoted by the Government or by some members of it. Now, Sir, as to one silly taunt which I notice the hon. gentleman (Mr. Foster) lately threw out with respect to the Opposition. The hon. gentleman was good enough to taunt the Opposition that we opposed the outlay for the construction of railways and other purposes intended to promote trade. Sir, the Opposi-

tion opposed no outlay for the good of Canada ; but of what purpose is it to spend huge sums of money for facilitating trade, while your whole policy neutralizes the introduction of trade ? Why should you cheapen transport and tax the things transported until they cannot be brought in ? Why should you turn the people of Canada away and pay immigrants to take their place ? Sir, I have given again and again the reasons why protection as a rule must fail ; but in Canada these reasons have special weight. I doubt if there ever was a country so wholly and utterly unsuited to protection as a country like Canada, lying as it does within the same parallels of latitude, having all through very nearly the same productions, having very little indeed to exchange with each other, where the several provinces are on the whole competitors rather than customers one of the other. Now, Sir, we have had very curious testimony lately given us as to the opinion the late chieftain of the Conservative party entertained with respect to that matter. We have the evidence of the hon. member for North Simcoe (Mr. McCarthy), than whom no man is better qualified to speak, as to the way in which the protective campaign of 1878 was inaugurated. We have the evidence of the hon. member for East York (Mr. Maclean) as to the difficulty with which the said chieftain was kicked on in the line of protection by himself and others, and how hard it was to keep him straight. We have the testimony of a gentleman of very high standing in Canada, Mr. Goldwin Smith, whose words I give as I read them the other day :

Till the election of 1878 was over, Sir John Macdonald disclaimed protection, and described his commercial policy as readjustment of the tariff. I had a personal interview with him a few days before the election, and I learned from his own lips that he foresaw the evil consequences of an application of protection to a country like Canada, as nearly as I think myself.

I dare say that my hon. friends in the maritime provinces will likewise recollect a certain telegram addressed to a certain Senator Boyd, in which the late chieftain of the Conservative party, a few days before the election, utterly repudiated the protectionist theory, and declared that all he wanted was a readjustment. And now, Sir, one word or two as to another argument of the hon. gentleman. He pointed to the enormous expansion of our trade and commerce in the last sixteen years. It had risen, he said, from \$172,000,000 in 1878 to \$240,000,000 in 1894, and, I suppose, to about \$230,000,000 in 1895. Now, Mr. Speaker, I want to call the attention of the House to this fact, that the total advance in those seventeen years scarcely equals 2 per cent per annum. But I want to call the attention of the Finance Minister to a still more curious fact. The advance in the ten years from 1868 to 1878, under a purely revenue tariff, and taking almost the

worst of our years, was greater in proportion than it was in the seventeen years the hon. gentleman quotes. Making all allowance for the admission of British Columbia and Prince Edward Island, our increase amounted to about \$34,000,000 in those ten years on an importation of \$130,000,000. That means that our importation from 1868 to 1878 increased considerably more in proportion than it did from 1878 to 1894, and a very great deal more than it did from 1878 to 1895—and I may ask how much of the importation of the latter period was due to borrowing ? Now, I have not time to go over certain of the silly fallacies or frands which hon. gentlemen opposite have been insisting upon ; but I will just enumerate some of them. I think we are getting about to the end of the home market fraud, the desire for economy fraud, the sham loyalty fraud, whether it takes the shape of proclamations to the Indians of Haldimand or others, the desire for reciprocity fraud, the general prosperity fraud, and the reduction of prices by reason of high taxes fraud ; and if any hon. gentlemen on the other side are still unconvinced, I advise them to look at the "Farmers' Sun," where they will find a number of very excellent articles, which they can read with considerable profit. Very likely, hon. gentlemen opposite do not like my way of putting these things. Very likely, they think I have been too rough in these matters. It has been my misfortune, Sir, to know too much about them and their predecessors. It has been my misfortune to know what have been the objects of some of the manufacturers who have urged an increase of taxation. It has been my misfortune to have learned, what has been confirmed of late, what would be the result of protection in Canada, as it has been in the United States and other countries. I knew that protection might help a few while it would hurt the mass of the people ; I knew that it meant intolerable corruption ; and I stand to every word of my speech as Finance Minister in 1876 and my speech in 1879, criticising the proposals which my successor brought down. I admit one thing : I admit that I did not allow enough for the power of clap-trap or the inordinate greed of certain parties ; nor did I, perhaps, allow enough for the great effect which the example of the United States has always had upon our people, or for the rather natural desire which many of them had to retaliate upon the United States in return for the extent to which that country had interfered with our trade and commerce. As you probably pretty well know, Mr. Speaker, for a long time I have been accused of being a most pessimistic individual ; but, Sir, the wheel has turned wonderfully. Why, Sir, I recollect when I was accused of the exact reverse in 1876, 1877 and 1878. Let hon. gentlemen read "Hansard" for those years ; let hon. gentlemen look at their own campaign liter-

ature for those years: they will find that I was then charged with being reckless, overconfident, extravagant and utterly indifferent to the position of the country. Now, Sir, that was just exactly what I have not been, either then or now. I had very good reason in 1878 for the confidence I then expressed that we were about to weather the storm and weather it successfully. I knew in 1878 that the great interests of the country were all sound. I knew that there was only one, the great lumber interest, which was suffering under a temporary depression by reason of the depression existing at the time in the United States. It was perfectly true that the importers and tradesmen did suffer considerably in 1878, as it is impossible that they will not suffer at any time when there is a great and sudden shrinkage in the value of the goods they purchase. Men buying in a sinking market are very apt to suffer. But it was proved then, and subsequent events proved, that in 1878 and the years preceding, the manufacturers of Canada, as a whole, had done exceedingly well. Now, Sir, I knew that the revival was close at hand. I knew that the taxation we had, as subsequent events showed, was abundantly adequate in any ordinary year, when we had not a bad harvest, to produce all the revenue we required. And I knew another thing of great importance to this country: I knew that from 1872 to 1878 the farm population of Canada, notably that of the province of Ontario, was growing in a very respectable ratio—many times greater than the rate at which it has grown since. It is true, Sir, that in that period our cities, towns and villages all grew moderately; but the country grew in due proportion. During these late years we have seen, and seen with regret—I think all men have seen it with regret—that the population of the country districts all over old Canada has been absolutely stationary, while a few towns and cities have increased out of all due proportion. To-day the conditions have changed. Then, we saw clearly what would have resulted had our policy been permitted to prevail; to-day we see clearly what has resulted from the reversal of our policy. My statements made in 1878 and in 1879 have been amply justified. I could heartily wish that they were not. I could heartily wish that I had been an untrue prophet; but I will give, this afternoon, just one instance of the way things have gone with a great many of our towns and villages formerly prosperous and thriving throughout Ontario, and I think the same rule applies to the hon. gentleman's own province. Some time ago, for the question is one of more than passing interest, I had occasion to investigate the condition of a town of about 4,000 people. I found that in 1878 this country town traded with about 5,000 families. To-day it trades over the same area, but the population has diminished absolutely, as well as relatively,

and there are scarcely more than 4,000 families now in that same area. But I find this very important fact, that, whereas, in 1878, and the years immediately adjacent, on an average, every farmer spent in purchases for his farm and family, close on \$600 a year in that town, to-day it is doubtful if those same farmers spend more than \$200 or \$300 a year. The result is that a trade of close on \$3,000,000 in that town had shrunk to a trade of about \$1,000,000 per annum. All the natural increase had gone, and there was a large reduction of the population both in town and country. That is a simple statement of the facts, and although I will not say that it will be reproduced in all its details in every town and village in Ontario, or the other provinces, I say that, substantially, it represents the condition of a very large number of formerly prosperous and thriving towns and villages throughout the country. Sir, this decrease in trade seems to be spreading upward to the cities. Even the hon. members for Toronto, I think, if they will own the truth, must be aware that the growth of that great city has not, of late years, by any means kept pace with their expectations and desires. They have found that the cities of a country cannot prosper unless the people at large prosper; and in the condition of Toronto, and other cities, we may see the certain result of an evil policy, when it has had time enough to work its natural results. The truth is that the farmers of Canada, as a rule, were very well off, indeed, in 1878, in spite of the bad harvests. Many of them had then a considerable deal of spare capital. And since that time they have been living on that and their borrowings. Their mortgages are infinitely greater to-day than in 1878, even though the rate of interest—no thanks to the hon. gentlemen opposite—has largely decreased all the world over. Now we have come to a period of standstill and enforced economy. Sir, if the Minister of Finance be really desirous to ascertain the condition of the farmers, particularly of Ontario, I would advise him to invest in a copy of a journal which does not always talk too kindly of himself or me, and that is the "Farmers' Sun," and he will find some nonsense and some unfairness, but a lot of useful information about the condition of the farmers. Here I will say one word as to the possible remedies for this state of things. I do not hesitate to say here that as regards any advantage or immediate relief to the farmers of Canada, I know of but one remedy, and that is the obtaining of access on fair and reasonable terms to the markets of the United States. That is the one thing which might bring immediate relief. But we may have lost our chance. The golden opportunity may have gone through the dishonesty and treachery and hypocrisy of hon. gentlemen opposite. I

do not believe myself that it has entirely gone, but I admit that all that men could do to render it impossible has been done by hon. gentlemen opposite. The next remedy that I would prescribe, if I could, is simply to strike off our trade restrictions. Let us have tariff for revenue only. Let what the people pay go into the people's treasury, and be expended for the people's benefit. Let us have an end of all these wild-cat projects. Let us cease to offer up perpetual sacrifices to the great god, Jingo. Let us put our house in order, and make the most of what we do possess, and there is great need that we should. Before concluding, I will apply one rough test. Mind, I do not mean to say that it is a perfectly accurate test, but, at the same time, it is one that is worth applying. Everybody knows that our chief industry is agriculture, that we have very heavy debts to pay, taking into account all the debts which the people of Canada collectively owe. Nominally, we pay these debts in money, but really we have to pay them in wheat, barley, cheese, lumber, fish, minerals, and natural products of every description. Practically, our manufactures are nowhere. Now, let us measure the cost of our debt and the cost of our Government, not in ounces of gold, but in bushels of wheat, and see where we stand. In 1878 the interest on the total indebtedness of Canada, even allowing for the larger rate of interest, would not have exceeded fifteen millions of dollars. To discharge the interest on our collective debt at that time would have cost us, at the prices then prevailing, about fifteen million bushels of wheat, which might be the produce of one million acres of land. In 1895, I believe, if a true account were struck, the interest on our collective indebtedness was not less than \$30,000,000. It would cost us 60,000,000 bushels of wheat to pay that interest at the present prices, and it would take 4,000,000 acres of our best land to produce that wheat. The total taxation, in 1878, amounted to \$20,000,000, allowing for the deficit, and that would have cost 20,000,000 bushels of wheat. In 1894 our real taxes amounted to \$60,000,000—\$30,000,000 for the treasury, and \$30,000,000 to private parties; and to pay that taxation, it would take 120,000,000 bushels of wheat at present prices, instead of 20,000,000. Were I to measure it by barley, the case would be worse, and by meats, not very much better. But I am happy to say that there is good reason to believe that our farmers and producers are at last awakening. In 1878 they drove away the sheep dog and gave the management of their flocks to the wolf, and now they appreciate the result. A good deal has been said at various times about the remarkable uprising known as the Patrons of Industry. I will give the hon. gentlemen opposite some figures from a source they cannot dispute, which may tend to show that their ap-

preciation of the position is altogether astray. I find that the Conservative leader of the Ontario Opposition, Mr. Marter, the other day, speaking at London on the subject, gave the following interesting calculation to show that Mr. Mowat was in a minority. There were in Ontario, he said, at the last election, 107,000 votes cast by Conservatives, 98,000 by Patrons, and 153,000 by Liberals; thus showing Sir Oliver Mowat to be in a decisive minority. Therefore, on the computation of the Conservative leader in Ontario, the genuine Conservative vote has been reduced to about 30 per cent of the total voting population. Our farmers have learned that taxation never reduces prices. New inventions will reduce prices, cheaper transport will reduce prices, the development of new countries will reduce prices, but all that reduction is in spite of taxation, and not because of it. Now, if hon. gentlemen opposite will insist, I will make them an offer. They claim the right, and the sole right to arrogate to themselves, in virtue of the National Policy, all the reduction that has taken place in the price of manufactured goods. Let them shoulder, also, the responsibility for all the reductions that have taken place in the price of farm products since 1878. There are other one-sided arguments in which the hon. gentleman indulged. Like many others, he is willing to take, at any time, a few scattered facts which go to favour the National Policy, and to ignore all the rest. What man is there in charge of a large business who could not make himself out possessed of a huge surplus if he were to put on the one side all his credit, and to omit, on the other, all his debts? I do not refuse to admit that per se the increases in bank deposits, circulation and mileage are good, if they be accompanied by an increase in population. I admit, though that is more doubtful, that increase in insurance is good. These things are good as far as they go. But they cannot and do not neutralize the other and far more important facts of loss of population, depreciation of property, and huge taxation, to which I have called attention from time to time. Sir, I cannot pause now to discuss the injustice of this system of taxation further than to say that it is one of those systems of taxation under which it happens that the very poorest in the community, in proportion to their means are often the most heavily taxed, while the rich very often escape with an infinitely smaller proportion than the poorest are obliged to pay. Now, when the taxation is light, that may be overlooked; but when the taxation reaches the present enormous proportions it becomes a question which we must all, and the Government in particular, take carefully into consideration. Nor, Sir—for I have taken longer than I intended—can I find time to allude to no more than the barest and briefest

way to the intolerable folly and wastefulness with which the money of the people has been dissipated. I can only name our Tay Canal, our Curran Bridge, our railway subsidies, our North-west expenditures, our immigration expenditures, our seventeen paid Ministers, our duplicate Speakers, our St. Charles extensions, our Caraquez railways, our Fredericton bridges, our Behring Sea arbitrations and our Prohibition Commissions;—our Franchise Act, our Civil Government costs us a million and a half; another million and a half we pay for Militia, and get no Militia after all. Sir, these and all the other favourite ways of wasting the money of the people have been pretty fully laid before this House in times past. Take our Intercolonial Railway;—fifty millions of the people's money invested, and not one copper of revenue from it. We call ourselves lucky—most fortunate—if we can make both ends meet, and, notwithstanding our sinking fifty millions, we are not obliged to add more than a few hundred thousand of capital account from year to year. And what shall I say of the new projects in the North-west? Sir, I have here a document made up on very high authority which shows that there are to-day in the country extending from Sudbury to the western limit of the province of Alberta, a population of 261,161 souls. This, of course, includes the greater part of Algoma. In the same territory they have of constructed railway, 4,348 miles, being at the rate of one mile of constructed railway for every 60 souls or every 12 families in these territories. And we are asked for aid for projected lines which would run the total up, according to my calculation, to something close upon one mile of completed road for every ten people now in the territories—including the subsidy likely to be brought down for the Hudson Bay railway. I repeat that I do not, for my part, despair of the position of the country. But, I realize the facts. I realize that very great chances have been thrown away. I realize the long succession of blunders which have characterized the conduct of Government during the past twenty-five years. I can remember that Canada entered into confederation in this position—our debt was one-third per head that of the United States, our taxation was one-third per head of the United States. How stands the account to-day? Our debt per head, or I am greatly mistaken, is at least treble that of the United States. The debt of the United States per head of the people is \$14. Our debt, according to the computation of the hon. gentleman, not taking into account the liabilities which he excludes, would amount to close upon \$300,000,000, which would be about \$60 per head. How has our population increased? Since confederation we have barely added a million and a quarter of people in nearly thirty years. Look at the increase in the United States, in their early days, without

heavy expenditures upon immigration to help them. In 1790 their population was 4,000,000; in 1800 it was 5,300,000; in 1810 it was 7,315,000; and there was an estimated population of 9,000,000 in 1818. When I look back to what might have been done, when I realize that with reasonably wise government it would have been no great feat for Canada to have gained a population of 8,000,000 souls—perhaps 10,000,000—I cannot but feel that the greatest opportunities have been most ruthlessly thrown away. Well, Sir, as I said before, what, under these circumstances, can we advise? Our advice is simple and brief:—Make adequate provision for your deficit; do your duty to the country and let the people know and fully understand what the public liabilities are—liabilities which, according to the figures I have submitted, are not much short of \$300,000,000. Sir, I advise that we learn prudence and economy; that we be content, as the Scriptures have it, with such things as we have; do not stretch our hands for further territory which we cannot properly administer or provide for without doing injustice to our own people. I would advise the hon. gentleman to dispense, for the time being, with his Pacific cables and Fast Atlantic services, I advise him to make friends, if it can be honourably done, with the people of the United States. And above all and before all, I advise him to strike off, as far as possible, existing trade restrictions. These things done, Sir, I will grant there is a reasonable chance that the country may right itself, that out of all this evil, there may spring some good. Sir, I do not pretend to say, and I do not believe that this country is going to escape entirely scathless from the results of sixteen years of folly, fraud and falsehood. We must suffer for what we have done; we must retrace our steps and must be prepared to submit to some sacrifice in doing it. What these gentlemen have done is to put back the progress of Canada for a whole generation. We cannot, and we do not pretend that we can give back to Canada her lost children, her "lost legions." Nor is it in our power, except in so far as our example can redeem the past, to blot out the marks of shame upon the shield of Canada which these men's conduct have caused. Sir, the hon. gentleman's proposals may stop the deficit. That is well. That ought to be done; that must be done. But we must do more than that. We must lighten the burdens of the people as well as stop the deficit. I do not pretend to say that that will be an easy task. I say that it is a task utterly and hopelessly impossible under the present system. Nevertheless that is the goal that the Reform party must keep in view, that is the goal for which they must strive; that is the goal which I hope and trust they will soon attain. As to the manufacturers, I desire to say most emphatically that we have no ill-will on our side of the House to the manufacturers as a class,

We know that manufacturers prospered more up to 1878, and in a far more substantial and permanent way, than they have since, if the truth were known. Sir, we recognize fully the value of manufacturers to a country situated as Canada is. But our motto is : Justice to all classes. We neither propose to do injustice to farmers to please manufacturers, nor to do injustice to manufacturers for the purpose of pleasing farmers. Sir, I admit, I am not going for one moment to conceal from the House the fact, that a considerable customs tariff must be enacted for some time to come, but it must be a just tariff, it must be no tangled mass of dishonest absurdities like the one under my hand ; it must be something which is fairly and honestly framed for the purpose of bringing revenue into the treasury, and not at the dictation of protected manufacturers' associations for the purpose of enabling them to divide with the Government the plunder unjustly obtained from the people. Therefore, Sir, I propose this amendment to the motion that you leave the Chair :

That all the words after " That " be left out, and the following inserted instead thereof :—
" the Estimates for the fiscal year 1894-95 amount to the sum of \$38,517,152 independently of any further Supplementary Estimates which may be brought down.

That the said sum of \$38,517,152 is in excess of the amount expended in 1893-94 by the sum of \$922,127.

That the deficit for the year 1893-94 amounted to \$1,210,322.

That the deficit for the present year is estimated by the Minister of Finance at \$4,500,000.

That, from statements made by Ministers of the Crown, in this House, it appears that our existing obligations for railway subsidies and for public works now in progress will involve a further outlay of \$20,000,000, computed as follows :—

For railway subsidies now voted..	\$8,729,000
For the St. Lawrence Canals.....	6,000,000
For the Trent Valley Canal.....	5,000,000
For the Intercolonial Railway and minor works	1,000,000
	\$20,729,000

The interest on which sum, together with the subsidy provided by Statute to be paid on account of a fast Atlantic service, will entail an addition to our already very heavy annual fixed charges of \$1,400,000.

That, inasmuch as enormous sums of money are now exacted from the people of Canada which are not paid into the treasury, and inasmuch as the burthens of the people are thereby greatly and unnecessarily increased, and it is of the utmost importance to the well-being of the community that not only should the present extravagant expenditure be diminished, but that the said burthens should be reduced as largely and speedily as possible,—it is expedient that in making provision to restore 'the equilibrium between revenue and expenditure,' as recommended in the Speech from the Throne, the existing tariff be so modified that it may be made a tariff for revenue only."